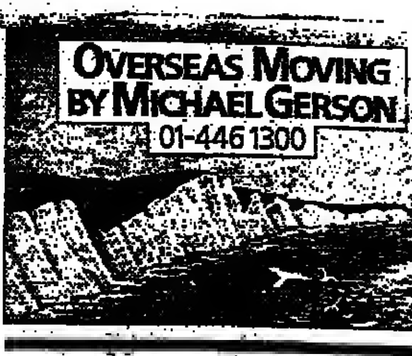

FINANCIAL TIMES

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Saturday March 30 1985 ***35p

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WORLD NEWS

MPs protest at switch of soccer match

Angry criticism greeted the Football Association's decision yesterday to switch May's England-Scotland match from Wembley to Glasgow.

The move was made under heavy government pressure, because of the fear of crowd violence at a bank holiday match.

MPs and supporters protested at the decision. Cumbernauld and Kilsyth MP Norman Hogg said: "Recent problems have been associated with clubs in the London area, not those in Scotland."

Greek vote controversy

Supreme Court Judge Christos Sartzetakis was elected Greek President. The Opposition objected to the voting and refused to recognise the result. Back Page

Hijack to Heathrow

An unarmed 24-year-old Briton was held by police after ordering the pilot of a Lufthansa airliner from Hamburg to fly to Heathrow, where it was already going. Nobody was hurt.

Anti-apartheid ban

South Africa banned meetings of the United Democratic Front, an alliance of anti-apartheid groups, for three months. Page 3; Man in the news, Back Page

Crisis in Honduras

A constitutional crisis has arisen in Honduras following a power struggle between the National Congress and Supreme Court. Page 3

War reunion threat

The U.S., angry at the shooting of an American officer in East Germany, may boycott 40th anniversary ceremonies of the meeting of U.S. and Soviet forces in the Second World War.

Post Office action likely

Selective industrial action in the Post Office seems likely to start on Monday, following the breakdown of talks on new working practices. Page 7

Stolport bid fails

An attempt to reopen a public inquiry into a plan for a £15m short take-off and landing airport (Stolport) in London's dockland failed in the High Court. Page 4

RUC man shot dead

Part-time Ulster policeman John Bell died after being shot at his garage in Raithfriland, Co Down.

Job for NZ archbishop

The part-Maori Anglican Archbishop of New Zealand, Paul Reeves, was named the country's Governor General.

Clocks go forward

British Summer Time begins at 1 am tomorrow, when clocks should be put forward an hour.

Financial Times

We apologise to readers, advertisers and distributors for yesterday's shortage of the Financial Times. This was due to a mechanical breakdown in the machine-room.

We apologise for any typographical errors that appear in today's paper—this is due to difficulties involving members of Sogat '82 employed in the Financial Times Reading Room.

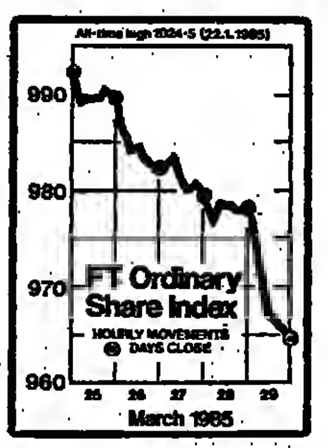
BUSINESS SUMMARY

Banks agree to cover JMB losses

THE BANK OF ENGLAND and two dozen UK banks have agreed a £150m package to cover the losses of Johnson Matthey Bankers. The deal marks the end of negotiations which started soon after JMB was hauled back from the brink of collapse last September.

JMB, now owned by the Bank of England, still has £170m in capital. The indemnity deal apportions the losses not covered by that £170m between the banks. Back Page

SHARES plummeted on the London Stock Exchange yesterday, and the FT Ordinary index showed its heaviest fall since February 12, closing down 13.8 at 964.3. While sterling's



strength helped gilts end the week well, leading shares reflected continuing concern about the impact of the weaker dollar. International stocks were hardest hit. Page 26

SMALL BUSINESSES have welcomed a government report which suggests a range of ways to free them from red tape. Back Page

CROSS-CHANNEL link plans will reach a crucial stage early next week when Britain and France publish their financial, technical and safety guidelines for scheme promoters. Page 6

EUROPROGRAMME, the Swiss-based Italian property unit trust under criminal investigation, was effectively pushed into liquidation when the Swiss Federal Banking Commission refused to extend a freeze on share redemptions by anxious investors. Page 23

SWEDEN has anticipated Monday's lifting of restrictions on Euroyen lending by launching a Y100bn (£322.6m) 10-year credit in the euroyen market. Page 23

BARCLAYS BANK has applied for permission to conduct trust banking business in Japan. Eight licences are expected to be awarded. Page 23

JARDINE MATHESON, Hong Kong's eldest trading house, is selling its shipping fleet and quitting the oil service industry. The news came with the announcement of losses of HK$ 913m (£96m) for 1984. Back Page

ALEXANDER & ALEXANDER Services, the U.S. insurance broker and one of the world's biggest, reported fourth quarter losses of $67.5m (£54.4m) and full year net losses of $49.6m (£40.1m). Page 23

IBSTOCK JOHNSEN, the building materials maker, announced doubled profits of £12.42m for 1984, an increased dividend, a 1-for-1 scrip issue and the £5.5m acquisition of roof tile maker H. F. Warner. Comment, Page 22

Thatcher urges cut in EEC business rules

BY QUENTIN PEEL, PAUL CHEESEWRIGHT AND IVO DAWNAY IN BRUSSELS

MRS MARGARET THATCHER began a crusade on behalf of small companies within the European Community yesterday by calling for the number of EEC regulations affecting business to be cut by a third.

On the first day of the heads of government summit she urged other leaders to demand a study of the impact on business of the range of community regulations. British Officials the Prime iMnister won broad support for her desire to attack red tape and the UK camp was hopeful last night that a study would be formally incorporated in the summit's final communique today.

Mrs Thatcher's special concern was to create an easier environment for the growth of small businesses, generally seen, on the basis of the U.S. experience, as the motor for economic growth and a cut in the number of unemployed.

Her approach at the EEC summit was presented by British officials as being an extension to the international level of policies the Government is following at home.

Last year, Mrs Thatcher noted, the EEC had passed 59 directives, excluding those for the farm sector. Had the effect of such directives on the burden carried by small businesses been considered? she asked the leaders of the other nine countries.

Such burdens either hampered or destroyed jobs. Therefore, it would be a good idea to study the effect of regulations and cut their number by a third. Why she picked this precise reduction was not explained.

Within the same context the Prime Minister urged:

A rise in the threshold at which businesses start paying Value Added Tax — at the moment EEC-wide this is £19,300;

Encouragement for the services sector to expand as a quick generator of new jobs;

A reduction in the amount of state subsidies;

An effort to hold down unit labour costs — this had been done in those countries which had had the most successful economies in recent years.

Officials said that her general approach was supported by the leaders of Belgium, Germany, Ireland, Italy and the Netherlands.

The leaders' discussion of the general economic situation reflected acute worry about the still rising level of unemployment—10.9 per cent over the EEC last year and likely to rise to 11.2 per cent this year—coupled with the realisation

Continued on Back Page

EEC—U.S. steel row, Page 2; Government small business plan, Back Page; Greek rifts deepen, Back Page

EEC Heads of Government greeted with relief and enthusiasm the agreement on enlarging the Community to include Spain and Portugal which was finalised in the early hours of yesterday.

Last night they sought to remove the most serious obstacle to their accession next year by drawing up a spending plan for Mediterranean regions which would persuade Mr Andreas Papandreou, the Greek Prime Minister, to lift his reservation on the membership terms.

The enlargement deal on all the most difficult outstanding topics—agriculture, fisheries, social affairs and finance—cannot be approved until Greece gives the go-ahead.

Dollar continues to lose ground

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE DOLLAR continued its fall yesterday, closing almost 4 pfennigs down in London on Thursday's New York close to end at DM 3.0825.

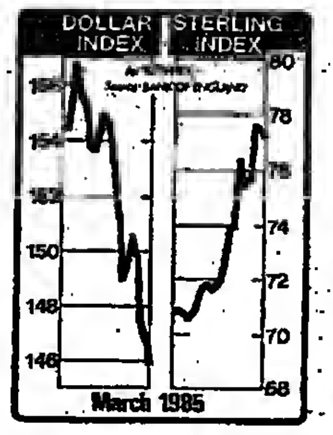
The decline, which continued in early trading in New York, prompted discussion among analysts as to whether the U.S. currency had passed its long-awaited turning point and would continue a steady decline.

Although the pound finished up a cent compared with both its last London and New York closes at $1.2375, lower UK interest rates appeared to arrest sterling's recent rise against the D-mark. It lost 3 pfennigs to close at DM 3.81.

The index of sterling's value against a trade weighted basket of currencies was slightly lower at 77.2 (1975=100) compared with 77.5 on Thursday.

This reflected the authorities' decision on Thursday to sanction a ½ percentage point cut in the base lending rates of two of the London clearing banks.

The Bank of England lowered the rates at which it supplies liquidity to the money markets by ½ percentage point after National Westminster and Lloyds announced a base rate cut to 13 per cent.



In spite of some easing of money market interest rates yesterday, Barclays Bank and the Midland decided to keep their base rates unchanged at 13½ per cent, though it seems likely that they will move them down next week provided money market rates ease further.

The authorities' decision to permit the second ½ point cut in interest rates since the Budget appears to be aimed mainly at preventing the pound from rising too fast against the D-mark.

Since its low point at the end of January, the pound has appreciated 10 per cent against the D-mark and is back to the level of last May.

The London three-month interbank interest rate eased ⅛ of a percentage point yesterday to 13⅛. The Bank of England took the opportunity of lower rates and better confidence about sterling to announce the issue of £750m of new Government stocks in the form of additional tranches of existing stocks.

They are: £250m of 10½ per cent Exchequer 1997 and £500m of 9½ per cent Conversion stock 2004.

David Lascelles adds: Bank of Scotland yesterday reduced its base rate by a ¼ of a per centage point to 13¼ per cent.

hTe bank said the smaller cut reflected the fact that overnight rates in the money markets were still high. Bank of Scotland has adopted a policy of moving its base rate more frequently but in smaller amounts to match changes in money market rates.

U.S. economic indicators, Page 3; Editorial Comment, Page 20; Feature, Page 21; Money Markets, Page 25

Vantona possible Tootal suitor

BY ANTHONY MORETON AND CHARLES BATCHELOR

VANTONA VIYELLA, one of the big four British textiles-to-clothes groups, emerged last night as a possible suitor for Tootal, another leading textile concern. But any advances would depend on Tootal beating off the attack from Entrad Investments of Australia which yesterday raised its bid to £128.5m.

Entrad made its final offer, increasing the value of its cash bid by £4.5m. This move left its bid very finely balanced, in the view of City analysts.

It also threw in an additional carrot, saying Tootal shareholders could keep their company's 1.87p second interim dividend. Tootal has said this dividend would only be paid if the Entrad approach fails.

No talks have been held or arranged between Vantona and Tootal, but it is understood that Vantona intends to make an approach to Tootal to discuss the possibility of a merger if the Entrad offer fails.

Mr Alan Wagstaff, Tootal's chairman, said he would not welcome an approach from Vantona any more than the one from Entrad. Tootal's profit forecast of at least £27m for the year ending January 1986, announced on Thursday appears to have surprised Vantona and galvanised it into action at the eleventh hour.

Although Vantona thinks there could be considerable value in a merger, Tootal believes the two companies' philosophies are radicaly different. Tootal is an internationally oriented company while Vantona is essentially UK-based.

Mr Rod Hartley, managing director of Entrad said: "It seems unlikely to me that Vantona would bid for Tootal. Tootal would be a bit big for Vantona."

Entrad and its merchant bank, S. G. Warburg, said they thought that the Vantona approach was intended to support the Tootal share price and allow the company to escape.

Apart from promising to let Tootal shareholders keep the 1.87p dividend, Entrad yesterday increased the value of its offer by 2½p to 72½p cash for each share. Tootal's shares fell 3p yesterday to 72p.

City analysts said the small level of increase indicated Entrad was at the limit of its financial resources, but Entrad said it was offering what it thought was the right price.

The bid appears finely balanced with analysts expecting short term investors in Tootal to accept the offer while institutions interested in the longer term would probably reject it, thus supporting Tootal.

Despite the fall in Tootal's share price below the bid level yesterday Entrad did not buy any more shares and it still has a stake of 7.1 per cent. Its offer expires on April 18.

Nacods likely to call strike ballot

BY JOHN LLOYD, INDUSTRIAL EDITOR

AN EMERGENCY session of the executive of the pit deputies' union Nacods has been called for Monday in Doncaster to consider a call from its South Wales area for a strike ballot throughout the country's coalfields. *Officials predict a vote in favour of a ballot.*

The South Wales call stems from its opposition to the closure of Bedwas colliery, where both production faces were lost during the strike and where members of the National Union of Mineworkers have agreed to take redundancy or transfer to other pits.

However, the union leadership has been incensed by a statement, issued on Thursday by the National Coal Board to all unions, which appears to state that pits will be closed in the immediate future without reference to the consultative procedure.

The board disputed this interpretation yesterday, saying: "If that is what we meant to say, we would have said it." It said its agreement with Nacods, signed last year and which guarantees that all pits would go through a modified review procedure remained "sacrosanct."

However, the letter makes it clear that an immediate post-strike strategy was operating, in which pits where "the cost of recovery cannot be supported by a viable long-term future, the damage may be judged to be permanent and irreparable." The board said this did not mean they would be closed.

Later the letter says: "This immediate post-strike strategy should not be regarded as action within the industry's normal joint review procedure." The board said this did not mean the closure of all pits would not go through the normal joint review procedure.

Mr Glyn Jones, the South Wales Nacods secretary and its national vice-president, said: "The board has gone back on its word to discuss closures properly.

"Nacods is a very moderate union, but now the gloves are off. My members are incensed at what is happening, and we believe the tactic is to close pits as quickly as possible."

Nacods officials in other areas were last night predicting a vote on the executive on Monday in favour of a strike ballot.

The union rules prescribes a 66.6 per cent vote in favour before a strike can be authorised — but area leaders recalled that the strike vote last year, which helped produce the agreement with the board, was as high as 82.5 per cent.

However, some leading officials are wary of calling a strike at short notice, before they have had time to conduct a widespread campaign among their members.

In the Midlands areas, especially Nottinghamshire, many Nacods officials are thought to be reluctant to strike.

By contrast, in the North-east, Scotland and Yorkshire, the union has been experiencing the effects of a tightening of work discipline, and a rapid drive to declaring redundancies. Some 1,000 NUM and Nacods members have been offered redundancy in the north east without consultation with the unions — while in some Yorkshire pits, Nacids officials hava ben told that the board intends to cut down on the number of officials by as much

Besides Bedwas, Nacods has demanded that the Frances Colliery in Scotland—linked to the Seafiled complex—should also go through the review procedure. The Scottish area NCB is interviewing NUM members at the pit to determine whether they wish transfer or redundancy.

The union is also concerned over a section in the board's letter which calls for "voluntary and consequential redundancies"—claiming that consequential could mean involuntary. The board says, however, that these are voluntary redundancies in pits where men have been offered voluntary severance terms to make way for men transferring in from closing pits.

● Mr David Hunt, the Coal Minister, yesterday welcomed the decision of the NUM executive to recommend an end to the overtime ban and return to normal working. The executive's recommendation goes to a special delegate conference of the union in Sheffield on Tuesday.

NUM funds, Page 7; Postal talks break down, Page 7

Soviet savings from spying disclosed

By David Housego in Paris

FRENCH intelligence services have leaked to the French Press confidential Russian documents showing the major strides the Soviet Union has made in modernising the equipment of its armed forces through industrial and military secrets obtained from the west.

The documents, including material prepared by the KGB, the Russian secret services, and the Soviet military industries commission, the VPK, are said to have provided the key evidence on which President Francois Mitterrand decided to expel 47 Russian diplomats two years ago. Their disclosure yesterday both in Le Monde and on French state owned television was considered by Western diplomats as bound to irritate the Soviet Union.

The French reasons for the timing of the disclosures remained unclear. As reflected by President Mitterrand's visit to Moscow last summer, French diplomacy has focused of late on reviving a dialogue with the Soviet Union.

A Soviet delegation arrives in Paris tomorrow for a meeting of the Franco-Soviet Economic Commission which has been delayed for three months.

The most important document published by Le Monde is a detailed internal assessment of the value to the Soviet Aviation Ministry of material gathered in 1979 by Soviet agents in the West.

The document says that the ministry received 156 samples and 3,896 specialised technical documents gathered through KGB and GRU (military intelligence) agents abroad. Of these, "87 samples and 346 technical documents were put to practical use in research and development of new military equipment and of existing weapons systems."

The savings to the Soviet Union of obtaining Western technology by these means were assessed by the VPK at 48.6m roubles (£47.8m) in 1979 as compared with 13.8m

Continued on Back Page

MARKETS

DOLLAR

New York lunchtime:
DM 3.0725
FFr 9.3850
SwFr 2.5965
Y250.675

London:
DM 3.0825 (3.1285)
FFr 9.4050 (9.5475)
SwFr 2.6025 (2.6475)
Y251.05 (253)

Dollar Index 145.9 (146.9)
Tokyo close Y250.7

U.S. LUNCHTIME RATES

Fed Funds 8⅛% (8½)
3-month Treasury Bills:
8.16% (8.06)
Long Bond: 96⅔
yield: 11.65

GOLD

New York: Comex April latest
$331.5 ($326.8)
London: $330 ($327)

STERLING

New York lunchtime $1.241
London: $1.2375 (1.228)
DM 3.81 (3.8425)
FFr 11.655 (11.7275)
SwFr 3.215 (3.25)
Y310 (310.5)
Sterling Index 77.2 (77.5)

LONDON MONEY

3-month interbank:
closing rate 13⅛% (13¼)
3-month eligible bills:
buying rate 12⅞% [illegible]

STOCK INDICES

FT Ind Ord 964.3 (−13.8)
FT-A All Share 616.21 (−0.7%)
FT-SE 100 1277 (−10.1)
FT-A long gilt yield index:
High coupon 10.50 (10.51)
New York lunchtime:
DJ Ind Av 1261.7 (+0.99)
Tokyo:
Nikel Dow 12,580.76 (−23.26)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 16; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pts 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

FT correspondents look at the details, background and reaction to yesterday's agreement on community enlargement

Markers on the arduous road to accession

By Ivo Dawnay

EIGHT years and a day from Portugal's formal application to join the EEC, followed within four months in 1977 by Spain, the Council of Ministers finally agreed on comprehensive membership terms in the early hours yesterday.

The negotiating bandwagon has juddered and stalled like a policevan from the Keystone Kops. And nobody has forgotten that the parliaments of the Ten member states now have a crash timetable to ratify the accession treaty if the January 1 1986 membership date is to be met.

The main markers on the arduous road to a Community of 12 were as followa:

March 1977: Portugal applies for membership, followed in July hy Spain.

December 1978: Negotiations begin hesitantly with Portugal and in Juoe 1979 with Spain. Yet there is clear equivocation from member states still reeling from recession and concerned about Iberian competition in agriculture.

June 1980: President Giscard d'Estaing calls for delay of projected 1983 entry, insisting the British budgetary wrangles are to blame.

January 1981: Greece joins the EEC four yeara after its initial application. Accession date now aimed at January, 1984.

March 1982: Spain formally accepts first set of rules to adapt to Community membership covering capital movements, insurance, transport and regional policy.

June 1984: With the British budget problem resolved, President Mitterrand calls at Fontainbleau summit for a conclusion of talks by the end of September, but talks remain deadlocked on farm and fisberies provisions.

December 1984: Wine reform package at Dublin summit clears path for detailed farm talks. Industrial tariffs agreed.

January-March 1985: The new European Commission prepares a "final" package for foreign ministers aimed at securing a common position for the Ten on outstanding issues, including agriculture, fisheries and the free movement of Spanish and Portuguese workers. But the hiccups in the talks continue.

March 18-22: In a marathon five day session, Sig Giulio Andreotti, the Italian president of the foreign ministers' council, cajoles bis colleagues and the candidate countries towards a deal.

March 28-29: Agreement is

EEC expansion reinforces shift in power balance

BY QUENTIN PEEL IN BRUSSELS

THE TIME for haggling is over. Now the real bargaining will begin.

Thus a hardened observer in the corridors of the European Community might observe yesterday's early morning celebrations in Brussels at the successful outcome of the negotiations for the Ten to become Twelve.

The way is now open for Spain and Portugal to take up their EEC membership on the promised date of January 1, 1986, barring any last-minute blockages in the national parliaments, and assuming that Greece can be persuaded to drop its reservation in exchange for cash.

It is only then that the full implications of the enlargement of the Community will become apparent, in changing its political and economic make-up, shifting the focus nf its external relations, and above all changing its balance of power. As with the first enlargement involving Britain, and later with Greece, there is much further dealing to be done.

On paper, the enlargement of the CVommunity may appear relatively modest. Its population will expand from soma 270m to 320m, its gross domestic product from some £1,666bn to £1,806bn, and lts land mass from 640,000 to 870,000 square miles.

The underlying changes will be more dramatic. The accession of Spain and Portugal will reinforce the gradual shift in the balance of power in Europe away from the wealthier northern states towards the Mediterranean south.

The ability of the large states to dictate changes to the smaller will be significantly diluted. No longer will just two out of Britain, France, Italy and West Germany be able to constitute a blacking minority to Community decisions. The Mediterranean combination of Greece, Italy and Spain could form a powerful blocking alliance.

On external relations, the Community will have a much greater interest in the Hispanic and Portuguese-speaking worlds, in central and south America, to balance its overriding interest in the former French and British colonies of Africa and Asia.

A Community of 12 will undoubtedly have more clout io International bodies — it will make up half the full-time membership of the Organisation for Economic Co-operation and Development (OECD), for example. Equally, it runs the danger of being even more unwiedly in international negotiations.

That concern about the ability of the enlarged EEC to function efficiently remains one of the greatest doubts about tbe process. It has inspired the latest efforts to rethink institutional relations and streamline decision-makiog, embodied in the report of the committee of wise men under Ireland's Sen Jim Dooge, submitted to today's EEC summit in Brussels.

Portugal's Finance Minister Erani Lopes (left) and Spain's Foreign Minister Fernando Moran announce final agreement on their countries' EEC membership

The trouble is that already in the Dooge committee a division is apparent which could well result in a two-peed Community. The six founder-members — Belgium, France, Italy, Luxembourg, tha Netherlands and West Germany — are consistently ready to move faster on questions of institutional reform and towards majority decision-making than the partners like Britain, Denmark, Greece and Ireland.

The newcomers have hitherto been much more cautious, and they can expect a nervous Spain and Portugal to join them rather than plunging headlong into the movement for wholesale integration.

On the practical front, the present Ten are virtually united (Greece remains most cautious) on the need for much more rapid moves towards a genuinely open internal market, and greater co-ordination of economic policies. They are eqnally aware that 1985 will be their last chance to agree major reforms o nthat front, before they become bogged down again in tbe teething troubles of enlargement.

The economic equation of enlargement is much more difficult to calculate. hWile on the one hand, the accession of Spain and Portugal will expand the size of tbe EEC market, on the other it will increase the disparity in living standards and growth rates between member states.

The entry of Spain and Portugal will also reinforce the demands upon the Common Agricultural oPlicy (CAP), just at the time when a majority of the present mmebers ia aeeking to keep its costs in check, in order to develop more dynamic policies for industry, transportation, and the environment.

Inevitably the negotiations on the integration of Spanish and ePrtuguese agriculture have been among the hardest, with the possible exception of fisheries. oFr the wine-growers and fruit and vegetable producers of Spain represent a real challenge to their counterparts in France, Italy and Greece.

At the same time their otput of wine and olive-oil, to cite the two most extreme examples, threaten to add enormously to the existing surplus of Community farm produce, to the dismay of the budget disciplinarians in Britain, Germany and the Netherlands.

The gradual dismantlement of Spain's towering tariff barriers to imports means that there will not be a suddenly enlarged market for EEC manufacturers, with strict quotas still imposed on items like British cars. But the effect within Spain should still be remarkable, given a 40-year tradition of massive industrial protection.

The bope is that the negotiators have not left too many hostages to fortune, capable of causing the whole negotiating process to be reopened within hours of accession. But in a complex Community of 12, that is a lot to hope for.

Main elements of enlargement package

By Ivo Dawnay in Brussels

THE central core of a [illegible]ment negotiations rests on the speed with which the two sides can gain free access to each others' markets while minimising the damaging impact at home.

Consequently, it is the transitional period between accession and full integration of each sector that has dominated the negotiations.

For Spain, sheltered since the civil war behind massive [illegible] barriers, the objective [illegible] been to win rapid entry for its highly competitive farm produce, particularly fruit and vegetables, while giving its industry as much time as possible to adjust.

For Portugal—a member of the European Free Trade—industrial tariff dismantlement is little problem. Its aim has been to get maximum benefit as quickly as possible from EEC funds.

The agreement attempts to integrate the candidate countries with the Ten immediately where there are no [illegible]blems. Elsewhere, it accepts [illegible] seven-year transition peric[illegible] 10 years for areas of greatest difficulty.

The broad terms of the package are:

Customs Union: A general seven-year transition period for both countries. Spain is to remove 52.5 per cent of tariffs in the first three years. Portugal will drop all duties in many areaa immediately.

Agriculture: For exports of Spain's fruit and vegetables, EEC tariff dismantlement will take place over 10 years. Community products such as milk, beef and wheat, will be subject to quota restrictions over 10 years.

Portugal will have to wait 10 years before its agriculture is fully integrated into the EEC.

Free movement of capital: Both countries are allowed to restrain capital movements up to five years for Spain and seven for Portugal.

Finance: Full payment dues to Brussels will not [illegible] required for seven years, with Spain receiving reimbursements of 87 per cent of its initial payments of Vat and customs levies in the first year.

Portugal receives a similar deal, though it is to be allowed three years for the introduction of a Vat system.

Fisheries: Spain will become a full member of the [illegible] Fisheries Policy from accession, but restrictions will be imposed on the number of boats allowed, catches and fishing zones.

Spanish parties greet membership accord

BY DAVID WHITE IN MADRID

WITH THE WEARY exhilaration of having reached the top of the mountain pass dividing them from Europe, Spaniards of all political tendencies greeted the agreement reached with the ten in the early hours of yesterday morning as a historic landmark.

Lingering suspicion that there migbt be another hidden stretch to climb, if Greece created complicatoins, was dismissed by Spanish experts. They said further stalling was now "practically ruled out."

If the ascent has taken a gruelling six years since the start of formal negotiations, tbe way down promises to be fast and bectic. There is a matter of months not only to prepare, translate and ratify an EEC entry treaty but also to settle the pending issue of Spain's future as a Nato ally.

Although no official link exists between the EEC and North Atlantic Treaty Organisatoln (Nato) questions, admission to the Community has become in the Spanish mind a precondition without whicb the country would not accept contributing to western defence.

HOW THE EEC, SPAIN AND PORTUGAL COMPARE

	Community	Spain	Portugal
Area (1,000 sq km)	1,658	505	92
(1,000 sq miles)	648	197	36
Population (millions)	271.9	38.4	10.1
Employed in: farming (%)	7.5	18.0	26.7
industry (%)	34.6	33.5	36.5
services (%)	57.9	48.5	36.8
Unemployment (%)	10.9*	19.6*	13.0*
GDP per capita (\$)	7,138*	3,759*	1,853*
Inflation (%)	5.5*	9.1*	21.3*

All figures for 1983 except those marked *which are for 1984

Sr Felipe Gonzalez, the Prime Minister, has taken a gamble ahead of the promised 1986 referendum on Nato membership by backing the status quo. He wants Spain to stay in the alliance but outside its military structure.

The agreement on entry terms places Sr Gonzalez's Socialist Government in a tempqorarily unassailable position, and has strengthened speculation that it might seize the opportunity to bring forward next year's general elections and thereby avoid holding the delicate Nato referendum.

All Spain's parties are pro-EEC and have welcomed the conclusion of negotitations. However, the long-awaited agreemeot coincided with the first demonstration by Spanish farmers gainst the terms of entry.

The final agreement gives Spain a less favourabla deal than hoped for in agriculture, but a better-than-expected settlement on fisb. These were the main obstacles in a agonising last stages of negotiation.

Economically, initial hopes of an EEC-inspired miracle have given way to disaster warnings, but tbe actual impact looks likely to be less dramatic than either.

Under its 1970 trade pact with the EEC, European markets have already been opened to Spain. On the import side, the highest barriers have already come down.

The biggest effect is expected to he on industry, much of which is uoused to having to be competitive. Entry is seen by the Government as accelerating a painful modernisation process that was needed anyway.

The quarter of a million Spaniards working in the EEC will gain from better social security treatment. At home, consumers can look forward to more protection, higher standards and a wider choice.

The tax system will have to be updated with the introduction of VAT — which will push up inflation next year. Prices of some of the things Spain produces most, such as fruit and olive oil, will rise as a result of entry, and so will the cost of holidaying in Spain.

Mood in Lisbon brightens as Europe's doors open

BY DIANA SMITH IN LISBON

"I THINK everything will change. In five years Portugal will be a different country," said an elated Sr Mario Soares, Prime Minister of Portugal, early yesterday morning after hearing that negotiations with the EEC were finally over.

Sr Soares, together with Sr Ernani Lopes, Finance Minister, and Sr Antonio Marta, Secretary of State for European Integration, the two who have doggedly bargained their country's way through the arduous final stages, have cause for jubilation.

In 1976, Sr Soares ran for election as Portugal's first democratically-chosen Premier in half a century on the slogan "Europe is with us," alluding to backing by European leaders for his resistance to Communist advances in 1975.

It has taken nine years to make the slogan come true in practical terms and Portuguese pride has suffered in the interim, but the mood in Lisbon brightened with the news that Europe had finally opened its doors.

Sr Soares, in 1976, saw accession as a democratic umbrella offering shelter from future totalitarian bids from the right or the left and giving Portugal the respectability she lacked during her long political isolation and colonialist wars.

Later, when the implications of EEC membership were better understood in Lisbon, the emphasis shifted from politics to chances to develop dramatically-backward agriculture with EEC agricultural funds, market structures and production methods; to decrease the imbalance between relatively-modern coastal areas and the slumbering improverished interior with EEC regional funds; and to strengthen, with EEC financial and technical backing, the small-to-medium companies that represent the majority of Portuguese industry and trade.

As the poorest candidate, Portugal has received Ecu 625m (£365m) in pre-accession aid, a third in direct grants and the rest in European investment bank loans. After accession, agriculture will receive Ecu 700m over a 10-year period to help it adapt to new structures.

U.S., EEC in dispute over steel products

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Community and the U.S. are on the verge of a bitter and costly row over access to the American market for semi-finished steel prodncts.

The row will further sour transatlantic relations at just the time both sides are moving into preparations for an international round of trade liberalisation talks.

Foreign and trade miniatries of the Ten are now examining a list of U.S. processed agricultural products on which the EEC could place import restraints if the U.S. on April 8 carries out a threat to act againat EEC sales of steel semis on the U.S. market.

When, last year, the EEC retaliated against U.S. restrictions on the sale of speciality ateel products, it carefully exacted compensation by raising duties and placing quotas on manufactured goods.

A switcb to agricultural products in the event of U.S. action on ateel semis would be calculated to cause wideapread anger in the U.S. Traditionally the U.S. has been sensitive about access to overseas markets for food products and, indeed, is perpetually at loggerheads witb the EEC over food exporting policy.

If the list, drawn up in Brussels, is approved by the Ten then U.S sales of tobacco, some animal feeds, peanuts, plywood and citrus products could be affected.

Next week officials of both sides bold talks in an effort to bead off a dispute which had its origins in February, when the Reagan Administration asked the European Commission for consultations on the question nf steel semis.

Most EEC steel products shipped to the U.S. are covered by an agreement reached in 1982 whicb sets sales limits product by product. Semis are not on that list, but there was provision in the agreement for the U.S. to ask for consultations if it believed that restraiots on a product in the agreement were causing diversion of sales into another product not so covered.

The U.S. believed diversion known to the EEC it would take was taking place and made expiry of the 60-day consulta-known to the EEC it would take action against semis at the tion period.

The EEC rejected the notion of diversion and bas refused to negotiate restraints. The increase of semis sales on the U.S. market bas been caused, it beliaves, by the strength of the dollar.

Madrid to extradite Ruiz-Mateos

By David White in Madrid

A COURT in Hessen, West Germany, yesterday accepted Spain's request for the extradition of Sr Jose Maria Ruiz-Mateos to face trial for alleged irregularities in the running of bis former Rumasa bnsiness group.

The verdict came more than two years after Sr Ruiz-Mateos fled from Spain to Britain after the Socialist Government's decision to expropriate all bis companies by decree.

However, Spanish officials in Bonn said they expected Sr Ruiz-Mateos to appeal against the verdict, a move whicb would at least delay bis return to Spaio from Frankfurt, wbere be bas been for the past 11 months.

Sr Ruiz-Mateos bas heen charged in absentia along with other former top executives of misappropriating tax funds, falsification of documents, social security fraud and currency offences, in his role as cbairman of Rumasa, of whicb be was the founder and chief shareholder.

The disclosed interests of the Rumasa group locinded 18 banks and more than 200 industrial and portfolio companies ranging from wine and hotels to shipping

Hero of Greek murder inquiry returns to top

BY ANDRIANA IERODIACONOU IN ATHENS

MR CHRISTOS SARTZETAKIS, the 56-year-old Salonika-born Supreme Court Judge who was elected Presidoot of Greece in a turbulent parliamentary session yesterday, is no stranger to political drama.

The bespectacled Mr Sartzetakis became something of a local hers in Greece in the mid-1960s, as the chief magistrate investigating the 1963 assassination of Dr Gregoris Lanbrakis, a leftist deputy, at a peace rally in Salonika. Mr Sartzetakis also won fame outside the country, thanks to the widely screened political film "Z," in which the chief investigator is portrayed by French actor Jean-Louis Trintignant.

The Lanbrakis killing proved sensitive for the right-wing administration of the day, led by Prime Minister Constantine Karamanlis, as the investigation revealed close links between the assassin and highly-placed state officials.

Mr Sart etakis is said to have resisted heavy-handed political pressure in dispatching a number of senior gendarmerie officers to prison for their part in the killing. His independent stand at that time cost his arrest, torture and a year's imprisonment without charges when the Greek colonels took power in 1967.

Three weeks ago, a twist of fate rich in irony once again linked Mr Sartzetakis's name with that of Mr Karamanlis—since risen to the position of President—with the Socialist Government's shock decision to nominate the Supreme Court judge as a presidential candidate instead of backing the re-election of the incumbent.

Mr Karamanlis resigned, while Mr Sarzetakia found himself abruptly propelled into the limelight again, after a long period spent quietly pursuing a successful legal career, and family life. He is married, with a one-year old daughter.

Hailing the result of yesterday's vote, Mr Andreas Papandreou, Prime Minister, declared that Greece had gained "a most eminent, democratic and politically independent" president.

If Mr Sartzetakis accepts the post of head of state, all eyes in Greece will be upon him to see whether these compliments were deserved.

Sartzetakis: back limelight

Thousands join Danish pay policy protest

BY HILARY BARNES IN COPENHAGEN

DENMARK WAS brought to a virtual standstill yesterday by what resembled an unofficial general strike as hundreds of thousands joined demonstrations in all the larger towns to protest against the centre-right coalition government's statutory wages policy.

The 300,000 private sector workers who have been on strike or locked out sioce Sunday, when negoliations for new collective wage agreements between the LO (TUC) and the Employers' Association broke down, were joined by many thousands of sympathisers from from parts of the private sector not hit by the strikes and from the public sector.

Teachers, bospital personnel, but drivers, and civil servants and office workers in ministries, government agenciea and local government walked out yesterday.

Among them were some of the Fioance Ministry officials who are supposed to be belping to draft the gevernment'a legislation.

Copenhagen Airport was closed to all traffic when staff walked out yesterday morning. Earlier in the week the Scandinavian airline, SAS, has been strikebound, but other European airlines were able to maintain services.

There was a massive demonstration organlaed by the Opposition Social Democratic Party and tbe trade unions outside the Christiansborg Parliament building, attended by a crowd estimated to be between 75,000 and 100,000 and described by police as one of the biggest they had ever seen.

Mr Knud Christensen, chairman of the LO, told the crowd that the Government'a wage policy was brutal and provocative and nothing like it had happened since "reactionary governments" in the 1920s cut wages.

The committee stage of the eight Bills presented by the Government to stop the conflict and impose a wage policy allowing for increases nver the next two years of about 2 per cent a year continned yesterday. The Government wants the Bills passed into law today so that the return to work can begin on Sunday.

Nuclear plant deal awarded

A CONSORTIUM of companies headed by Kraftwerk Union (KWU) has landed the strongly contested DM 5.2bn (£1.3bn) deal to build eWst Germany's nuclear fuel reprocessing plant at Wackersdorf in Bavaria, writes John aDvies in Frankfurt.

KWU, a subsidiary of Siemens, the Munich-based electrical and computer [illegible]cern, beat a rival [illegible]rship of Lurgi and Uhde. Lurgi is t[illegible] engineering and process [illegible] subsidiary of the Meta[illegible]gesellschaft metals concern, while Uhde is owned by Hoechst, the chemical group.

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South Africa bans meetings of opposition groups

BY OUR JOHANNESBURG CORRESPONDENT

THE South African Government has ordered a three-month ban on meetings of tha United Democratic Front, an alliance of anti-apartheid groups, including student organisations and trade unions.

In addition Mr Louis Le Grange, the Minister of Law and Order, has ordered the curtailment of 28 other black organisations and forbidden outdoor gatherings in 18 magisterial districts in the Eastern Cape Province. He has also prohibited indoor meetings aimed at organising industrial action.

The crackdown came as the civil disturbances rose to death toll rose to 36 in the Eastern Cape civil disturbances. Rioting started eight days ago on the 25th anniversary of Sharpeville.

Opposition representatives in Parliament said they were appalled at the severity of the minister's security action and warned that it would generate further unrest.

Mrs Helen Suzman, of the Progressive Federal Party, said that any attempt to prevent people from gathering and discussing their grievances was likely to result in civil disobedience.

Police used tear gas and rubber bullets on rioters in various parts of the country yesterday. Three people died in New Brighton when bird-shot and live ammunition were fired at a crowd of 2,000 people who surrounded the bome of a local town councillor.

A fourth man aged 20 died in the West Rand town of Evaton when the son of a councillor who died during unrest last year shot at a group attacking his car.

As an inquiry under Mr Justice Donald Kannemeyer sat for tha second day, bearing evidence into the fatal police shootings of 19 people at Uitenhage a week ago, police in the area reported continued acts of stune-throwing and arson.

Official buildings in tha village of Cookhouse were set on fire and extensively damaged and tear gas was fired at about 500 youths gathering in front of the New Brighton magistrates court.

AP-DJ adds: the South African Reserve Bank has eased the minimum liquid asset requirements for commercial banks. This bas prompted speculation that the banks' prime lending rate, running at a record 25 per cent, could ease next month.

Salvadoreans seek an elusive peace at the polls

David Gardner reports on tomorrow's national elections

SALVADOREAN voters, who go to the polls tomorrow to elect a new National Assembly, appear little moved by the campaign slogans: "Peace, Justice and Libarty," "Peace, Progress and Justice," and "Peace, Work and Progress."

These slogans belong, respectively, from Left to Right, to the Popular Social Christians, a split from Christian Democracy now part of the left-wing insurgency fighting tbe Government and which is therefore taking no part in the election; to the ruling Christian Democrats of President Jose Napoleon Duarte; and to the neo-Fascist Arena Party, led by Major Roberto D'Aubuisson, the former army intelligence chief widely linked to the country's death squads.

All these groups bave had a share of power at one stage or another in the country's fiva years of civil war, and what they have singularly failed to provide is peace.

The lack-lustre sloganising of the campaign which drew to a close on Wednesdsy night appears to bave raised few hopes here that this, the third election of the war, will bring peace any nearer. All the parties are anticipating a high abstention rate on Sunday.

The campaign has nevertheless penetrated further into the country than the presidential elections of a year ago, when there was no voting in about a third of Salvadorian municipalities because of the war.

In Tejutepeque, for example, a guerrilla-held town in the centre of the country, tha identi-kit slogans of the parties are already peeling off the sun-baked and bullet-blasted walls, competing for space with insurgent propaganda denouncing the elections and calling for peace negotiations.

Last year there was no vote there due to heavy fighting after tha army attempted unsuccessfully to re-take the area. This time, Tejutepeque is ona of the war zone towns where the government and army bave said they will guarantee that balloting takes place.

To do so, the army launched a major sweep through the area by two crack battalions on March 16-20. This failed to dislodge the guerrillas, who were still there on Wednesday, and left as its most enduring mark charred hillsides for miles around the town, the result of air force bombardments, tha guerrillas and townspeopla say, with incendiary bombs.

But the pusb for votea into these no-man's-land areas especially by President Duarte's Christian Democrats who face having to govern for tha next three years with a hostila National Assembly controlled by the far Right, bas brought in its wake the bope that badly-needed basic services will be restored.

Jutiapa, for example, eight kilometres from Tejutepeque, made its first phone call for five years on Wednesday, while telephone engineers in Tejutepeque were busy repairing lines, under the watchful gaze of the guerrillas.

"We bave no interest in disrupting theae electiona," the local guerrilla commander said. "The people will see for thamselves they are leading nowhere."

Another guerrilla faction which operates in the east of the country, howaver, has taken a more bostila view and burned 17 town balla and 11 telepbone exchanges.

In San Agustin, a dusty semi-abandoned town in tbe eastern foothills of the central mountain chain that dominates El Salvador's two main highways, there may nevertheless be voting on Sunday despite this faction's bostility.

Control of the town has oscillated between the Government and insurgents over the past nine months but beavy army activity in the area appears for tha moment to bave pushed tha guerrillas back into the mountains.

With no power supply for five years, the proprietor of the bare-shelved local pbarmacy rests bis hopes in this election on the promises the parties have made to restore electricity and medical care. "I don't know whether (the elections) will bring peace but I hope they will mend the roads and bring us medicine," he said.

Modest rise in U.S. economic indicators

By Nancy Dunne in Washington

THE U.S. index of leading economic indicators, designed to predict future growth, rose a modest 0.7 per cent in February, less than half of tha revised 1.5 per cent increasa in January, the Commerce Department said yesterday.

"It means the picture is not too bleak, but not too rosey," said a Commerce Department economist.

Five of the 10 leading indicators went up last month, led by contracts and orders for plant equipment. Stock prices, an expansion of the money supply, a greater number of new businesses and tha pace of deliveries also showed rises.

Bad weather may have caused a drop in soma of tha negative indicators, wbich included a reduction in the average working week, a decline in new orders for consumer goods, increased claims for unemployment insurance, and declines in raw material prices and building permits.

While the leading indicators improved, the accompanying coincident indicators —which measure current employment, income, production and sales—declined by 0.3 per cent, tha second consecutive monthly drop.

Mr Malcolm Baldridge, the Commerce Secretary, said he was particularly encouraged by the rebound in real contracts and orders for new equipment, a sign that capital spending this year will feed economic expansion.

Japan to study SDI

Japan will cautiously atudy a U.S. request for Japanese co-operation in research for the Strategic Defense Initiative concept known as Star Wars, Mr Shintaro Abe, Foreign Minister, said yesterday, Agencies report. Mr Abe said be did not see any need for a hasty reply to the U.S. request made in a letter from Mr Caspar Weinberger, Defence Secretary. He asked Japan to clarify its stand on the SDI research within 60 days.

Honduran troops placed on alert after vote to dismiss judges

BY TIM COONE IN MANAGUA

A POWER struggle in Honduras between the National Congress and Supreme Court bas provoked a serious constitutional crisis.

On Thursday, anti-riot troops were called out to guard the Supreme Court and Presidantial Palace. President Roberto Suazo Cordova appealad for calm and declared that the armed forces support him.

The National Congress voted on Thursday to dismiss five judges from the Suprema Court, wbicb is controlled by the President, and was due to swear in their replacements on Friday.

The crisis centres on a power struggla within the ruling Liberal Party. A deep division has surfaced over tha party'a nominee for the presidential elections in November. At least two strong contenders are challenging President Suazo Cordova's own cboice as bis successor. Ona of them, Sr Efrain Bu Giron, is President of the National Congress.

President Suazo Cordova bas lost control of the majority group of Liberals in the Congress and his control of the Supreme Court is now the only laver be bas, apart from the military, to ensure that his candidate will run in the November election.

The stability of Honduras is essential for tha U.S. policy of using the country as the main land base for its Central American actiuns.

The direct challenge of the National Congress to tha President's power bas dnbious legality nnder the constitution. According to Sr Efrain Diaz, a prominent oppoaition voice in the Congress, "thare are established proceedings to dismiss the judges and tha vote by Congress ignored these."

Speaking on national radio and TV on Thursday night President Cordova accused members of the Congress of being "traitors to tha constitutioo" and of trying to carry out "a tecbnical *coup d'étot*."

Brazil wills Neves to win battle for survival

BY ANDREW WHITLEY IN RIO DE JANEIRO

LARGE BILLBOARDS bearing the simple message "Get Well Senhur Tancredo" have sprouted overnight here and in other cities througbout Brazil. The wbole country is willing Brazil's Presideot-elect Sr Tancredo Neves to win bia two week long struggle to survive.

The focus ia the Instituto do Coracao, the country's leading heart clinic where Sr Neves was rushed by special plaoe earlier this week for a third abdominal oparatioo.

A major convention ceotre next to the clinic has been transformed into an improvised Press centre for more than 700 journalists and television crew. The smallest detail of ioformation concerning Sr Neves is instantly reported. Normal talevision and radio programmes are constantly interrupted by "flashea" of medical bulletins.

Joining the media hordes outside the hospital, bas baen a religious presence uniquely Brazilian in its ecumenical nature. Yesterday a Jewish rabbi, an Evangelical minister from an "Assembly of God" cburch, and a "Pai de Santos" (or witchdoctor) from one of Brazil's many flourishing African-based spirit cults, prayed together on the pavement.

Sr Neves, 75, remains under intensive care. His condition is reported stable. Doctors yesteday said that infections which appeared in one of bis lungs and in bis abdomen were under control. But there were complications with broncho-poeumonia aod anaemia.

Tehran warns of plans for 'major offensive'

BY OUR MIDDLE EAST STAFF

IRAN yesterday rejected any suggestion of a ceasefire in the land war with Iraq and warned that it was preparing for a "major offensive."

Mr Hojatoeslam Hashemi Rafsanjani, speaker of the Iranian Parliament, said during Friday prayers in Tehran that Iran waa ready for an agreement to cease attacks on civilians and oil tankers but would not accept a "ceasefire on the war front."

Mr Rafsanjani said: "The necessary groundwork for the launching of Iran's major offensive has been prepared."

He also claimed that Iran was still holding part of the Huweizah marshes, north of the Iraqi city of Basra, where Iran launched an offensive earlier this mooth.

Iran reported that an Iraqi aircraft had been shot down over Tehran in the early bours of yesterday following a further air raid on the capital. President Saddam Hussein of Iraq said earlier this week that tha attacks on Iranian cities and oil tankers wonld continue until Ayatollah Khomeini agreed to discuss a peace settlement.

● Britain bas condemned the reported renewed use of chemical weapons in the Gulf war, Reuter reports from London. It has advised an estimated 1,100 Britons living in central Baghdad to leave the city following a series of explosions in the Iraqi capital.

Israeli budget approved

BY OUR TEL AVIV CORRESPONDENT

THE ISRAELI Government won parliamentary approval for a $23.3bn (£19bn) budget yesterday, and reached agreement with trade unions and employers on four month price freeze aimed at fighting inflation.

Despite months of cabinet haggling over spending cuts, the figure was some $200m more than the 1984 budget. Last year the governmetn overspent by more than $1bn according to provisional estimatea.

Officials said the budget did not include the cost of withdrawing the army from South Lebanon — at least $100m— and measures would be needed to avoid over spending again thia year.

The government, under pressure from the U.S. and the IMF to slash spending, has found its room for manoeuvre severly restricted because of buge debt repayments.

The budget's enactment was delayed by arguemnts between rival orthodox parties over funding for religious institutions.

Fighting escalates in Lebanon

Sniper fire contioned in Beirut and artillery battles erupted around the southern port of Sidon yesterday, leaving seven dead and 25 wounded, Reuter reports from Beirut.

According to an unnamed source in South Lebanon, an Israeli army major, Shlomo Ellya, informed village leaders that Israel's occupation army would leave Lebanon sooner than expected, pulling out of Tyre, the country's southernmost port, by April 10 and quitting Lebanon altogether by May 15. Israeli leaders, following increasing guerrilla attacks, have been talking abont a final withdrawal by Juoe.

Beirut police said two civillians were wounded aa Moslem and Christian militias traded sniper fire in the central city area followine a pre-dawn ceasefire that halted overnight battles with rocket-propalled grenades.

Soviet chief sacked

In the continuing nationwide resbuffle nnder the new Kremlin leader, Mr Mikhail Gorbachev, Mr Vladimir Mikulicb, first Party secretary of the important Minsk region in Belorussia and other regional party leaders in Turkmenia and Estooia have been removed from office, Reuter and AP report from Moscow.

Mexico in debt deal

Mexico has signed the first part of a $48.6bn multi-year debt rescheduling accord with about 550 of its internatiooal creditor banks, making it the largest commercial bank restructuring in bistory, Reuter reports from New York. The package was agreed in principle last year bot the signing was delayed pending agreement with the IMF on Mexico's 1985 economic targets

Khartoum arrests

Khartoum was under heavy police and military guard yesterday, following the arrests of about 2,000 people suspected of participating in three days of food-price riots, AP reports from Khartoum. The violence began the day before President Gaafar Nimeiri lift for talks in the U.S., and grew out of student demonstrations to protest recent sharp increases in the prices of essential commodities.

Bhopal evidence

The Indian Government claims to have evidence that the American company, Union Carbide, was responsible for a poison gas leak in Bhopal last December which killed 2,500 people, Reuter reports from New Delhi.

The Press Trust of India (PTI) news agency quoted Mr Veerendra Patil, Chemicals and Fertilisers Minister, aa telling Parliament that the Government had adequata evidence to establisb tha company'a culpability.

Maori appointment

New Zealand is to have its first part-Maori Governor-General, the Most Rev Archbishop Paul Reeves, 53, who is Head of the Anglican Church. He bas been strongly outspoken on such issues as the 1981 Springbok rugby tour of New Zealand and the nuclear weapons issue.

UK NEWS

Minister blames high port costs for lost orders

BY BRIAN GROOM

BRITISH PORTS cost an average of 50 per cent more for handling deepsea container cargoes than their Continental rivals according to research by the Department of Transport.

Mr David Mitchell, Transpert Minister, told the British Ports Association's annual lunch that this raised the cost of imports, lost export orders, and increased unemployment.

Meanwhile, it was disclosed that negotiations are taking place between the National Association of Port Empleyers and the Gevernment ever the cest ef the dock labour scheme.

Employers argue that if the Gevernment centinues te refuse te scrap the scheme—which makes compulsory redundancies difficult—then it sheuld bear the cest.

Last year empleyers paid a £12m levy te finance veluntary redundancies, and the industry's severance scheme is almest £60m in debt with £44m owed to the Gevernment. The employers want relief from this burden.

The Department ef Employment has made proposals, including a possible continuation of the £12m-a-year levy as an interim measnre, but the two sides remain far apart.

Mr Donald Stringer, the port empleyers' chairman, said: "It is one thing to know we are to continue te be beaten but it adds insufferable insult to painful injury if we have to pay the cost of the beater and his overheads."

Mr Mitchell announcing the first results ef the Government's study of comparative port costs, said the UK's higher costs — in seme cases treble those of competiters — included pilotage, light dues, turn-round time, port dues and cargo-handling costs.

He annoyed pert officials by hinting at the first rise in lightheuse dues for four years, theugh he said be would try te see it did not exceed inflatien "by any significant ameunt."

Sinclair suspends C5 vehicle production

By John Griffiths

PRODUCTION of the Sinclair C5 electric vehicle has been suspended temporarily, the company said yesterday.

The suspension, attributed to a decision to replace a plastic moulding attached to the vehicle's gearbox, will last for about three weeks.

Forty of the 90 workers assembling the £399 three-wheeler at Hoover's washing machine manufacturing plant at Merthyr Tydfil, South Wales, are being returned temporarily to washing machine production.

The company said about 3,000 machines were undergoing the modification which, it said, was not safety-related.

"None of the vehicles in this re-work programme had left the factory er had been shipped te retailers fer tha spring retails sales campaign now under way. No C5s bave bad to be recalled."

The company also insisted that the suspension was not the result of sales failing to live up te expectations.

Sinclair envisaged 100,000 sales a year when productien began at the end of last year. But just bow successful the C5 has been se far remains a mystery.

The only figure Sinclair has given is one of "more than 5,000" for the initial mail erder sales between its launcb in mid-January an dthe beginning of retail sales on March 1.

From that date, the Sinclair has been on sale through a number ef retail chains, notably the Cemet Group and selected Woolworth stores, plus regional greups such as Vallances, with 30 shops and supersteres spread through the Midlands and Yerkshire.

Comet, wbicb took a launch stock of 1,600, said yesterday it had no-one available te comment on sales. Other retailers reacted similarly.

Earlier this year, plans to begin a second production line at Merthyr Tydfil, bringing capacity up to abeut 200,000 units a year, were put off after a one-day strike and work-to-rule at the plant.

The Sinclair mover, with 3,000 vehicles in stock and a production line close down for three weeks, provides some indication that the total of 400 retail outlets bas not experienced large demand fer the C5.

This was effectively acknowledged by Sinclair yesterday when it said: "There bas been a great deal of showroom traffic —but there have been lots ef indications from would-be purchasers that they will enly buy when the spring weather arrives."

DTI REPORT ON BURDENS ON BUSINESS

Striking a balance between licence and liberty

BY WILLIAM DAWKINS

THE Department of Trade and Industry report Burdens on Business is an attempt to strike "the right balance between licence and liberty," Lord Young, Minister without Portfolio, said yesterday.

It is Lord Young's job to examine the options—some of them far-reaching set out in the consultative document fer cutting the red tape surrounding small businesses, and to come up witb some conclusions and suggestions fer actien by the summer.

His primary task si to find ways to reduce the costs te small firms of complying with their statutery obligatiens, while retaining protection fer empleyees, consumers and the public.

This, says the report, will belp te attract non-complying small busioesses out ef the black econemy, but more impertantly, be a key contribution to jeb creatien.

In tbat sense, the study is an attempts te take the lead in the debate on unempleyment—highligbted by the publicatien en Tbursday ef its White Paper on empleyment—whicb it sees as a crucial issue ie the run-up to the next General Election.

Work on the repert, by representatives ef seven government departments, led by the DTI, began last August. It was coerdinated by Mr David Trippier, the Small Firms' Minister.

From Interviews with 85 small business managers and an independently commissioned survey of 200 executives it identifies two administrative budens: The management time needed to understand and meet government requirements, and the direct expense involved in meeting those obligations.

"A particularly worrying point economically," says the report, "is that compliance costs —real and perceived—may limit market entry by inhibiting start-ups and expansion of small enterprises; especially those involving first-time recruitment ef full time labour. The problem is compounded because so many requirements are employment-related."

It recommends that Ministers censider urgent actien on 10 main administrative burdens. The most radical option is designed to clear the way fer PAYE and National Insurance contribntiens to be calculated side by side on the same form, almost as if they were one rayrell tax.

This weuld be dene by putting the PAYE system on to a non-cumulative basis.

Mere cempanies sbeuld be taken out of the value added tax net, suggests the repert. VAT applies to cempanies turning over mere than £19,500 annually, but the study acknewledges that attemets te raise the thresheld would run inte trouble with the European community.

David Trippier: helping to identify the problems

It also suggests a menthly VAT payment plan for small businesses, and improvements fer claiming relief on bad debts — another matter dealt with by the Budget.

Statutory sick pay should be made easier to integrate with firms' existing payrolls by simplifying the administrative procedures fer sick pay qualifying periods.

Companies should alse be allowed to opt ont of the sick pay system where they prefer to pay sick staff at the appropriate rate without claiming a refund from the state.

Planning controls are another area for reform, says the document. It suggests the introduction of simplified planning zones on similar lines to enterprise zones, and calls for local planning decisions te be speeded up.

Building regulations should be rationalisen, with particular reference te easing constraints on the conversion of buildings for commercial use.

Fire precautions, too, should be made flexible for premises with a minimal fire risk, says the report. It suggests the creation of a general statutory duty on fire precautions to replace the complicated 1971 Fire Precautiens Act.

On employment protectien, the study recommends that employees' qualifying periods in unfair dismissal cases sheuld be raised from one te two years in firms employing less than 20 peeple.

Health and safety regulatiens are unnecessarily cemplex, says the study. Inessential requirements, like restrictions on women's workin gheurs, should be scrapped.

Tbe present statutory audit of accounts should net be required from shareholder-managed small firms says the repert, which also calls fer a simplification in the content of acceunts and balance sbeets which have to be filed with the Registrar of Companies.

On consumer protection, it recommends greater emphasis on self-certification of weights and measures requirements, as well as the introduction of a general easy-to-follow statutory duty on product safety, and simpler consumer credit regulations.

The study also makes some general points about the way in which government controls are enforced.

It suggests that regulatory departments should be made more aware of the compliance costs they impose on small firms. Regulatory staff should be better trained, they should visit companies less often, and their decisions could be more censistent and flexible. Shorter and less complicated government literature on statutory obligations is needed.

Such internal changes should be monitored by a small task ferce of not more than two or three civil servants and businessmen working possibly in Lord Young's Enterprise Unit, proposes the report.

On a wider front, it calls for a general improvement to tackle the communications gap between the Government and businesses, and action in the European community to increase the awareness of regulatery burdens.

...Burdens en Buss—Report of

Burdens on Business—Report ef a Scrutiny of Administrative and Legislative Requirements. HMSO. £5.25.

Move to have Stolport inquiry re-opened fails

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN ATTEMPT to force Mr Patrick Jenkin, the Environment Secretary, to re-open a public inquiry into a plan fer a £15m sbert take-off and landing airport (Stolport) in London's deckland bas failed in the High Ceurt.

The Greater London Ceuncil, the London Borough of Newbam and the Campaign Against the Airport—a grouping of local individuals and erganisatiens—had argued that Mr Jenkin was legally obliged to re-open the inquiry because be had received new evidence since it ended.

The objecters claimed that they should have the chance to deal wite that evidence.

Yesterday Mr Justice Glidewell said that all parties had been given ample opportunity to make representations in writing on the new evidence.

Mr Jenkin's refusal to reopen the inquiry bad not been unlawful, unreasonable or unfair, the judge said.

The judge said that Mr Jenkin bad not yet finally decided wbether to grant planning permissien.

After the ruling, Brymon Airways, whicb plans to operate the airport, said it hoped that its route licence applications would go through as quickly as possible so that it weuld be able to start services once the airport was built.

Clore property details 'must be revealed in full'

BY OUR LAW COURTS CORRESPONDENT

THE Inland Revenue bas won a High Court order that the trustees of a Jersey settlement set up by the late Sir Charles Clere must give full details of the property in the settlement, thought to bo worth about £81m.

Capital transfer tax ef £44.8m has bene assessed en the settlement and the Reveoue wants a verified acceunt te use in preceedings hefere tax commissieners.

Tbis lates case was part of the Revenue's attempts te levy tax en the whele ef the Clore estate, estimatd te total well over £100m.

The ceurt rejected the trustees' argument that they were not liable to account because the settlement was an overseas trust subject to Jersey law; all th trust property was outside the UK and the trustees were not UK residents.

Mr Jostice Walton said that capital transfer tax was payable on the settlement hecause Sir Charles had died when domiciled in England.

The trustees—Stype Trustees Jersey, a company formed by Sir Charles before his death in July 1979, Mr Nathan v Meyehas, a Paris lawyer, Mr Joseph Kasierer, a Tel Aviv accountant, and Mr Georges Kalrweis, a Gevena banker—were ordered to produce an account within three months.

National Savings to raise rates

By George Graham

NATIONAL SAVINGS is te raise its ioterest rates by about 0.5 per cent te conntcr the higher bnilding society rates introduced from eMnday.

The increase comes inspite of a call from Mr Patrick Jenkin, the Environment Secretary, for hailding societies to lower their rales.

Mr Jenkin said this week's cut in some bank base rates to 13 per cent snggested tbat building societies had been premature in announcing higher rates.

"I hope that they may now be able to look again at their interest rates and bring them down again next menth."

Bnilding society chiefs, however, said no furtber move was likely befere Jnne 1.

National Savings will raise tbe rate on investment accounts to 12.75 per cent from April 11. Inceme and deposit bonds—which require six weeks netice of changes—will rise te 13.25 per cent from May 12.

The general extension rate, paid on fixed interest National Savings certificates which bave already matnred, will rise from Menday te 9.51 per cent tax free.

Tbis ls intended te encourage investers not to cash in certificates of the popnlar 19tb issue, which are now maturing, in favonr of building society depesits.

There will be no new issue of certificates.

NY dealer buys British Algae

BRITISH ALGAE, issued in parts from October 1843, and the first scientific manual to be printed using pbotography to replace typesetting and conventional illustrations, sold for £48,000 at Sotheby's yesterday.

It was Sir Jehn Herschel's copy and was bought by the New York dealer Hans Kraus on bebalf of the New York Public Library.

MAM settles with musician

BY MARTIN DICKSON

Management Agency and Music, the hotels, leisure and music greup, has reacbed a £1.7m out ef court settlement with pop musician Gilbert O'Sullivan in their long-running legal dispute over reyalties.

The settlement comes amid merger talks between MAM and Chrysalis, one ef Britain's most successful independent record companies, and it will simplify these negotiatiens.

However, MAM said last night that it had reached agreement in principle with Mr O'Sullivan befere Chrysalis came on the scene.

In 1982 the High Court upbeld Mr O'Sullivan's claim against MAM fer a larger share of his songs' earnings in a judgment which would bave cost the company almost £7m.

Last year the Appeal Conrt scaled down the award, saying MAM was entitled to reasonable remuneratien fer its work, bnt it left the precise sum to be fixed by an official referee.

MAM said yesterday that this process could have taken two more years to complete and the uncertainty would bave been damaging to the company. It had therefore reached a settlement under whicb Mr O'Sullivan has been paid £1,693,600 for royalties up te July last year, together with a further £156,400 in a frozen royalties account and £133,520 of interest.

The immediate cost to the company is £1.72m but its chairman, Mr Gordon Mills, estimates that tax allowances will much reduce this figure.

Thatcher living 'in cloud cuckoo land'

BY JOHN HUNT

MRS THATCHER is living in cloud cuckoo land with her monetarist policies and is completely out ef toucb with ordinary people, Mr David Steel, tbe Liberal leader, told the Sceltish Liberal Party conference in Inverness yesterday.

He said that increasingly strange commands were being issued by an autheritarian Prime Minister. She sbeuld help the British economy by throwing out the biggest cuckoo of all — the dogmatic monetarist cuckoo.

Mr Steel cemmented on figures issued yesterday showing that the Liberals wen mest seats in local ceuncil by-elections during March.

He said this meant the party was leading the Teries and Labeur in the race towards the shire ceunty elections in May. The figures issued by the Liberals show a Liberal net gain ef 15 seats, an SDP gain ef two, a Labour gain of two and a Conservative loss of 15.

There was a concerted campaign yesterday by ministers arguing that the Budget has dramatically improved prospects for jobs and the economy.

Mr Tom King, Employment Secretary, said there was a better outlook than for years. The Budget had epened the way to ecenemic growth, a continued increase in output, demand and investment, a further drop in interest rates and strong growth in employment.

A similar theme was taken up by Mr Leon Brittan, Home Secretary, and Mr Nicholas Ridley, Transport Secretary.

But Mr Gerald Kaufman, Labour's shadew home secretary, said the public had had enough of Mrs Thatcher's "beated words and cold beart." People increasingly regarded Labour as the party of hope and geod sense.

David Steel: attack on monetarism.

Talks on Malaysian air routes

By Michael Denne, Aerospace Correspondent

THE UK and Malaysia will beld talks en air services between the two countries in Londen soen.

British Airways and Malaysian Airlines System have exchanged informatien on the future levels of traffic on the roule between Kuala Lumpur and the UK to determine just what volume of air services by both sides the route will bear.

There has been considerable difficulty in resolving this situation in recent months, with MAS seeking increased services to the UK which the latter has felt bound to deoy, believing that the volume of direct end-to-end traffic is insufficient to support more flights.

One important subject in the forthcoming talks will be the levels of onward traffic to and from Australia via Kuala Lumpur that may be carried.

Another difficulty has heen recent legislation in Malaysia removing tax exemption fer foreigners working in that country unless they travelled by MAS when going bome on leave.

● Tbe growth in air travel to, from and within the UK continues.

During February, the British Airports Authority handled 3m passengers at its seven airports (Heathrow, Gatwick, Stansted, Edinburgh, Glasgow, Prestwick and Aberdeen), a rise of 8 per cent on the corresponding month last year.

Richard Evans examines the conditions that have helped make Britain a world centre for translating

Language—the barometer of a shifting business climate

ONE OF the UK's less well-known but more aensitive barometers of econemic confidence is claimed to be the language translation industry. Rumours of interest rate rises er meunting political problems show in translatien workloads in a matter of days.

"Our werk is a business confidence indicator that reflects changes in the economic and political climate remarkable quickly," says Mr Michael Eichner, chairman ef the international side of the Interlingua-TTI group, the largest group ef its kind in the UK following its merger in January.

Mr Eichner's theory, supported by others in the industry, is tha the translation of brochures or technical plans is invariably the first to suffer when business confidence wobbles, because they involve projects that can usually be delayed.

"We have found we are ahead ef the market. When cenfidence starts to slip, decisions en expansien are put back immediately."

The volatility has been modifiad recently, however, by the increasing amount ef work from overseas and by the trend towards multinational translatien companies.

Interlingua-TTI, with an annual turnover appreaching £4m, has eigbt offices in the UK and others in New York, Heng Keng and Singapere.

Tek Translation, which has a turnover of more tban £2m, has officea in New York and Hong Kong.

Mr Bernard Keigher, managing directer of Tek, finds the pattern of international trade can also meve very sbarply because ef sudden pelitical changes. His cempany used te have clese links with Lebanen, but these virtually disappeared evernigbt. Similarly, business in Libya has ceased because ef the pelitical climate.

"Every time semething gees wreng for the West politically, it affects eur business," he says.

The answer at Tek, regarded as one ef the mest innovative and dynamic companies, bas been to maintain flexibility and te switch rapidly to more profitable markets.

Although translations from and into West European and Scandinavian languages remain the mainstay ef the business, the biggest centracts often concern Arabic, Cbinese er Russian.

Tbis is where Mr Keigher, who describes himself as "ene ef translatien's first millienaires," has sought te develop Tek's expertise.

Business in Chinese is also beoming and looks set te beceme the biggest growth market of all, but Russian is slack because ef a recent lack ef big centracts. Business is sustained at a level mainly by the eccaisional trade fair.

Business with Sandi Arabia the Gulf States and ether Arabic speaking coutries has remained at a high level in spite of the tapering of the boom in large construction contracts. The emphasis has switched throughout the Middle East to the translation of educational material.

The merger between Interlingua and TTI, which created Interlingua-TTI, underlines the trend twards bigger companies with overseas links in what has been a very fragmented market.

Subcontracted translatien work in the UK is worth about £12m a year, but this excludes in-heusa translations dene by government departments and leading companies, and the work ef bundreds of one person outfits.

Most of the bigger companies, with the exception of Tek, belong to the 40-strong Association of Translation Companies which was set up eight years ago.

The presence of a large pool of foreign nationals able to translate accurately into their own language, the widespread introduction of new technology and the weakness of sterling over the last year bave combined to make the UK one of the world centrea fer translating.

One lesson ef recent years, as Tek bas shown, is that a degree of specialisation, either in languages or in technical or legal werk, can bring success.

Mitaka, for example, is a company based at Leamington Spa wbosework is 95 per cent concentrated on Japanese translations which it can do for a much lower cost than in Japan.

Another company, Computype dees translation work in several languages put specialises in typesetting, and much of its work comes from other translation companies.

liberty

Talks on Malaysian air routes

climate

Rules for Channel link plan expected next week

BY ANDREW TAYLOR

PLANS FOR a fixed link across the Cbannel enter a decisive pbase early next week when tbe British and French governments publish the financial, technical and safety guidelines the various proposals will have to satisfy.

Promoters of cross-Cbannel schemes have been given until October 31 to meet these requirements and submit their proposala to hoth governments. The British and French authorities hope to be able to give the go-ahead for a development by the end of this year.

The deadlinea are important if treaties and legislation necessary for a fixed link are to be in place by the end of this parliament. This would allow a cross-Cbannel link to be in operation by the mid-1990s.

Tho guidelines were approved at a meeting between Mr Nicholas Ridley, the British Transport Secretary, and M Jean Auroux his French counterpart, in London on March 20. They will establisb the rules under which the schemes' promoters will be expected to raise money from the private sector.

Both governments insist the development must be funded by private money without the aid of financial guarantees.

Promoters have been unable to start raising funds until issues such as the long-term ownership of a fixed link and rights to establish toll rates without government interference are clarified.

Tbe guidelines will also establish minimum safety requirements. A particular concern is the possibility of accidents or serious traffic congestion which could cause dangerous fumes to build up in a tunnel.

One requirement is likely to be for facilities to convey people to a safe area within 90 minutes of an accident.

The guidelines are also understood to stipulate a minimum speed limit of 50 miles per hour in order to keep traffic flowing as well as to restrict gradients at tunnel exits.

The report also deals with the possibility of collision. The guidelines are understood to require tbat any structure must be capable of withstanding a collision with a fully laden tanker travelling at 17 knot.

Both governments would retain to close the link in the event of an emergency. Any structures would be expected to be built to last for at least 120 years.

Promoters are hoping that the guidelines will clarify the operational and financial roles of tho British and French state-owned railways, since the French state-owned railways, since the French insist that any scheme must involve a rail element.

Rates 'make a mockery of local democracy'

Financial Times Reporter

THE LOCAL government finance system should be reconsidered, Mr Alex Fletcher, Consumer Affairs Minister, said last night.

"A further patched-up job will simply not do."

Mr Fletcher, speaking in Melrose, said: "I have to say quite frankly that we Conservatives bave held out the prospect of radical change in local taxation for long enough. We bave to produce an answer—and soon."

The problem of the level of rates had been "greatly aggravated by Labour councillors who think they have been elected to spend increasing amounts of other people's money — Labour councillors whose political fantasies are destroying the credibility of local government.

"However, the present rating system is also making a mockery of local democracy.

"The Government recognises that most people's patience has been exhausted by the absence of radical reform and ministers are fully committed to change....

"What matters now is that the whole question of local government finance should be reconsidered," he said.

Michael Donne reports on a planned Ministerial mission to Europe

Peace sortie over Euro fighter

MR MICHAEL HESELTINE, Defence Minister, and Mr Geoffrey Pattie, Minister for Aerospace, are expected to visit France soon to break the impasse that threatens to delay multinational collaboration on a new European Fighter Aircraft programme.

This programme calls for the development of a tactical fighter aircraft to replace ageing Jaguars, Phantoms and Lockheed F-104s in the air forces of five European countries—the UK, West Germany, France, Italy and Spain—by the early 1990s. Up to 1,000 aircraft are planned, apart from exports.

With research and development costs of more than £1bn, and production costs as much as £8.5bn (on an aircraft price of about £8m each), the venture could be one of the biggest and most expensive in Western Europe since the Tornado programme in the early 1970s.

It has been talked about for more than two years. The countries involved want a multinational programme to spread the costs and ensure atability. A collaborative venture makes it difficult for one country to cancel for political reasons.

Efforts to achieve such co-operation have been frustrated because of differences on how to achieve it—especially between the French aerospace industry and the rest of Europe.

The differences include what sort of aircraft ought to be developed and how the project should be run.

The French, led by Dassault-Breguet, believe it should be a small, ground-attack aircraft, of about 9.5 tonnes. The other nations have combined their varying ideas into a common formula for a larger 9.75-tonne aircraft capable of other missions, including air superiority over the battlefield.

The French also want a new engine development from the start, based on the Snecma M-88. Other countries want a slower programme, initially using a derivative of the existing European Turbo-Union RB-199, as used in Tornado. Then an engine based on both M-88 and Rolls-Royce RB-540 engine technology could be developed for later versions.

There are also differences of view on programme participation. The French want a 31 per cent stake, with design leadership in France. This is a smaller percentage than they originally sought but is still too high for the UK and West Germany who want the three leading nationa (UK, France and West Germany) to have 25 per cent each, with 15 per cent for Italy and 10 per cent for Spain.

M Charles Hernu, the French Defence Minister, says France wants a collaborative programme, but the UK industry feels that France wants it on its own terms.

M Hernu says there is "a real possibility" of agreement, provided it is "realistic" but adds "One must avoid a bad compromise which would lead to an aircraft which does not correspond to Europe's needs and capabilities."

Michael Heseltine: bid to break stalemate

The UK industry—British Aerospace, Rolls-Royce and many equipment companies—believe this means that France still wants to see its own ideas prevail. They say this attitude is unacceptable.

The UK and French aerospace industries know they could go it alone. The UK, through BAe, has been developing the Experimental Aircraft Programme, whilst Dassault has its Avion de Combat Experimental.

Both these ventures are due to fly in 1986 and contain all the advanced technology that would be built into any European aircraft.

The UK and France have also looked at other solutions to the problem. BAe has studied for the Defence Ministry, a single-nation venture, a three-nation programme (like the Panavia Tornado with West Germany and Italy) and a four-nation venture, bringing in Spain but excluding France.

These "insurance" studies are designed to enable defence officials to gauge alternative programmes to the full five-nation programme that everyone really wants to see.

Failure to agree on a full five-nation programme would be unsatisfactory and would provide the opportunity for individual countries to go their own way—the British and French undertaking their own programmes, and West Germany seeking closer collaboration with the U.S.

The result would be a big increase in competition to achieve the next generation of fighter aircraft required in Western Europe, with increased costs and programme complexities.

It is to try to prevent this and to achieve more harmony that the UK ministers are planning their French visit in the next week or two.

Funding study urged for MSC

BY WALTER ELLIS

A STUDY of Manpower Services Commission funding has been urged by the Commons Select Committee on Employment.

The committee, in a report, says the commission had indicated several times in its corporate plan that it would welcome more money to help with possible intiatives.

The committee said "the MSC" has continually been given extra responsibility and wider areas of competence. We feel it important that the MSC be given adequate funding.

"The Government, employers and others have roles here, and we recommend that there should be a funding study of the whole field."

The committee welcomes the extension of the commission's Youth Training Scheme, from one year to two.

It says "An expanded YTS would not in itself solve Britain's problems of skill shortages, but it could help to provide a base on which future training of the workforce could be built."

The committee says the number of long-term unemployed is still increasing and totals about 1.25m. It says: "This is an alarming figure, since the longer someone is without a job the less likely he or she is to get one."

MSC proposals to introduce a vocational training element into the Community Programme for the 18-25 age group are welcomed by the committee, which is to undertake its own inquiry into special employment measures for the young.

The committee expresses regret that a proposal it made to the commission last year, to extend the higher, long-term rate of supplementary benefit to people in their fifties who have been unemployed for more than a year, has not been acted on. It repeats its call for an examination of the idea.

The MSC's Corporate Plan, 1985-89, from the report of the House of Commons Employment Select Committee, to be published as HC 244.

Powell warns on Ulster role for Dublin

By John Hunt

Any role for the Dublin Government in Northern Ireland affairs will be opposed by the Ulster Unionists, Mr Enoch Powell warned last night.

Mr Powell, Ulster Unionist MP for South Down, said the people of the province should oppose such moves "with our hearts high, our powder dry and the theme of our forefathers of 1886 and 1912 upon our lips: one crown, one parliament, one people."

His speech, given in County Armagh, following the recent visits to Dublin by Mr Douglas Hurd, Northern Ireland Secretary, and Sir Geoffrey Howe, Foreign Secretary, which gave rise to reports that new initiatives with the republic were being considered.

Community job support attacked

BY RICHARD TOMKINS

THE Federation of Civil Engineering Contractors yesterday attacked the Government for creating "unreal" jobs in its Community Programme instead of "real" ones in the construction industry.

Mr Jim Shedden, the federation's vice-president, told its south-western section in Taunton that 268,000 construction jobs had been lost since 1979, far more than the Chancellor proposed to create through the extension of the Community Programme.

"It is curious that when the Government has quite rightly said to us that it will not increase construction spending merely to produce jobs and insists that every project should be capable of demonstrating a healthy rate of return, it should be so keen on the Community Programme."

"It must make more sense to concentrate on the production of real jobs, which are not only valuable in themselves but help to increase the efficiency and competitiveness of industry as a whole," said Mr Shedden.

Safety code due for twin-jet flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Civil Aviation Authority is to produce new safety rules for long-distance flights by twin-engined airliners, especially over water, following growing interest by UK airlines.

The emergence of such big twin-engined airliners as the Boeing 767 and Airbus A-310 has resulted in many airlines wanting to use them for long flights which in the past have been operated by larger four-engined Boeing 747s or tri-jet Lockheed TriStars or McDonnell Douglas DC-10s.

Those aircraft seat at least 350 passengers each, whereas the twin-engined long-range jets seat between 200 and 250. This means they are more profitable to airlines on routes where traffic loads are lower.

Already Trans World Airlines is flying Boeing 767 extended-range twin-engined jets non-stop from Boston to Paris, and plans to fly them to London later this spring.

Air Canada is planning similar 767 flights from Halifax (Nova Scotia) to Prestwick and London, while El Al of Israel is planning non-stop Canada-Israel operations.

As more airlines buy twin-engined jets, the need for rules governing their safety over long distance flights—both over water, such as across the large tracts of Africa, the Middle East and South East Asia, especially at night—becomes more pressing.

The CAA, with the U.S. Federal Aviation Administration is discussing rules with UK airlines, pilot bodies and aircraft manufacturers.

The aim is to ensure that the authority gives clearance to a twin-engined airliner, which in the event of an engine failure, could reach a safe airport within 60 minutes.

Where it would take more than 60 minutes the authority will insist on special rules.

These will include the need for sufficient emergency power generatores to enable all the aircraft's navigation and other systems to be maintained despite the loss of one engine.

The aim will be to ensure that long-distance flights by twin-engined airliners are no less safe than those by other public transport aeroplanes, says the CAA.

If the discussions are successful, the new rules could become effective later this year.

Licensed deposit taker status

THE LONDON representative office of Oosterreichische Laenderbank will be turned into a branch office with licensed depositor taker status on Monday. It is intended to apply for registered bank status in due course.

Everards opens £10m brewhouse

EVERARDS BREWERY opened a £10m brewhouse at Castle Acres in Narborough, near Leicester, yesterday. The plant was set into operation by Mr Nigel Lawson, Chancellor of the Exchequer and MP for Blaby, the local constituency, who said he was pleased by the confidence in the future the investment represented.

APPOINTMENTS

Bowring restructures in Scotland

Changes are taking place in the insurance broking operations of the BOWRING GROUP in Scotland, following the retirement of Mr Alex W. Murray, chairman of the Scottish region of Bowring UK, at the end of March. Bowring is to place greater emphasis on Scotland as a geographical region, rather than as a series of separate offices. Bowring Smith (Insurance Brokers), Carlisle, will join the Bowring offices in Aberdeen, Dundee, Edinburgh and Glasgow to form Bowring in Scotland. Spearheading these developments will be Mr Len Hughes, the new regional chairman who succeeds Murray. Mr Hughes is also deputy chief executive of Bowring UK. The new development director for the region is Mr Douglas Smith, who has relinquished his position as chief executive of Bowring Smith and Raphael in Edinburgh, although he remains a director.

*

SKETCHLEY has made the following board changes: Mr Malcolm Glenn will join the board on May 1 as group chief executive. He is chief executive of the Reed Decorative Products Group of Reed International. Mr Charles Wenham, group managing director since September 1983 has left to pursue other interests. Mr Peter Dobble and Mr Geoffrey Maddrell have joined the board. Mr Dobbie becomes group marketing director. He has been marketing director of Sketchley Cleaners since 1978 and director of marketing for the group since April 1983. Mr Maddrell joins the board as a non-executive director. He has been an executive director of Bowater Industries since 1978. Mr Bernard Gitlow, who has been a director since July 1982, has resigned. He will continue to be associated with the company's interests in the U.S. generally, and in particular on the board of the Textile Rental Services Association in the U.S.

*

Mr R. G. Woodwark, managing director of EVE CONSTRUCTION, retires at the end of March. Mr R. E. D. Staples is appointed managing director and Mr A. J. King joins the board as director—responsible for the building and civil engineering construction division.

*

Mr David Archer has been appointed managing director of SECOMAK AIR PRODUCTS, London-based Halma environmental control division subsidiary. He was formerly production director of S & P Coil Products. Mr Roy Beggerow has been appointed finance director of Secomak. He was group accountant.

*

Following the acquisition of Sir Joseph Causten and Sons, Mr John Grainger has been appointed to the board of NORTON OPAX. He has been managing director of Sir Joseph Causten since 1974. Mr Brian Shawcross has also been appointed a director. He has been managing director of Hunkydory Designs and also has responsibility for Claude Gill Books, Causton Publishing (diaries), Causton International (incentive gifts) and Foolscap (retail stationers). Mr Roy Bondsfield has been appointed company secretary, allowing Mr Roger Dimbleby to concentrate on his role as finance director. Mr Bonsfield has been finance director of Sir Joseph Causten since 1976.

*

DUN & BRADSTREET has appointed to the board: Mr Jim Armstrong (credit services); Mr John Dawson (public services); Mr Andrew Dick (marketing and financial services); and Mr Mike Gibbard (finance).

*

Mr James H. Wiborg has been appointed a non-executive director of HEPWORTH CERAMIC HOLDINGS. In 1953 he founded, and was chairman, of Western Plastics Corporation U.S. until 1980 when that company was acquired by the Hepworth Ceramic Group.

*

Mr Jim Wilson has been appointed managing director of DAVID BROWN GEAR INDUSTRIES, Huddersfield. He was director of administration.

*

FIRST INTERSTATE, London, has promoted to executive director: Mr Reuben Cohen, Mr Graham C. Morris and Mr James D. Wyatt, and to associate director: Mr Barry G. Deeks, Mr Yasuki Hirose and Mr Hsneb Jen Sung.

*

Mr John Preston has been appointed as managing director of POLYDOR RECORDS UK. Mr Preston, who was formerly marketing director, replaces Mr A. J. Morris, who has moved on to become regional director of PolyGram International.

*

Mr Andy Laing has joined BREAKMATE as sales and marketing director.

Postal crisis talks break down

BY DAVID GOODHART, LABOUR STAFF

SELECTIVE INDUSTRIAL action in the Post Office now seems se tto begin on Monday following the breakdown on Thursday night of talks between senior management and union officials on reforming working practices.

A final session of talks is expected today but neither side appeared hopeful of a resolution last night. Indeed the Post Office has already written to local managers telling them to start recruiting more part-time staff—the most contentious issue between the two sides.

If no agrement is reached today the issue that is likely to start industrial action is the refusal of members of the Union of Communication Workers to continue operating the new optical character recognition machinery at the Mount Pleasant sorting office in central London.

The three month extension to the year long experiment with the equipment runs nut on Sunday. The new machinery needs only about two or three staff compared with about 15 on that in general use.

If UCW members at Mount Pleasant are suspended on Monday there is likely to be sympalhy action in different parts of London.

The union may, however, hold back from implementing its plans for nationwide slective disruption until the extra part-time staff actually start work at the end of April.

Over the past few days negotiatioos have continued on a range of issues about improving productivity. These include a new productivity scheme, more mechanisation and new technology. Mr Tony Clarke, UCW deputy general secretary, said agreement had heen close but the Post Office's insistence on increasing part-time staff had ruled out a deal.

The Post Office wapts to increase part-timers from 8,000 at present to 20,000 but union negotiators were specifically excluded from conceding the point by a recent special conference.

The union says that all recent reports on Post Office efficiency—including the Monopolies and Mergers Commission report—played down the importance of part-timers. But the Post Office management insists that its whole package must be accepted and appears ready to sit-out what it believes will be only limited disruption

The Post Office's tough stance on industrial relations is also underlined hy the fact that from April 1 it will implement a lower rate of pay for new entraots into some of the lower engineering grades without union agreement. The grades include ilustrators, drivers, patrolmen and labourers.

TGWU to compensate sacked tugmen

BY DAVID BRINDLE, LABOUR STAFF

THE Transport and General Workers' Union is likely to have to pay compensation of at least £20,000 to each of three Bristol tugmen dismissed for refusing to join tha union after a ballot to set up a closed shop.

An industrial tribunal ruled yesterday that the TGWU was wholly responsible for the decision by Cory King Towage to dismiss the three men last September in order to end a strike by their 53 workmates.

The union must try to agree compensation with the Freedom Association, which represanted the three men. It is believed to be the first time a union has been ordered to pay compensation in a closed shop case brought under the Employment Act 1982.

The three men—Mr Michael Hood, Mr Martin McNeill and Mr Ted Ottway—were former members of the TGWU, but refused to renew their lapsed memberships after a ballot of the workforce produced the required majority of more than 85 per cent to set up a closed shop.

When Cory King was sued for unfair dismissal, it "joined" the union in the action to make it liable for any compensation awarded. Later, the company also joined a number of union officials and tugmen, including Mr Ottway's son Michael, who were said to have refused to work with the three.

The tribunal ruled that reinstatment of the men would be impracticable. They are therefore each eligible for a special award of 104 times their weekly pay of up to £150, plus a basic award of at least £2,000, plus up to £7,500 for loss of future earnings and pensions rights. Each man is therefore likely to receive between £20,000 and £25,000.

● The Employment Department yesterday announced increased compensation payments to come into effect from next Monday. The minimum basis award for dismissal for non-membership of a closed shop will rise to £2,100.

Changes to EEC parental leave draft proposed

By John Lloyd, Industrial Editor

THE GOVERNMENT has asked for comments on a European Commission draft directive on parental and family leave, making it clear it strongly disapproves of the proposal.

It has proposed a series of amendments which would allow both partners to take leave as of right during the period of birth and after; would restrict existing maternity leave; limit time off to one partner only and allow an employer to refuse leave in cases that would pose serious difficulty for the company.

BASE LENDING RATES

A.B.N. Bank	13 %	Johnson Matthey Bkrs.	13½%
Allied Irish Bank	13½%	Knowsley & Co. Ltd.	14 %
Henry Ansbacher	13½%	Lloyds Bank	13 %
Amro Bank	13 %	Edward Manson & Co.	15 %
Associates Cap. Corp.	14 %	Meghraj & Sons Ltd.	13½%
Banco de Bilbao	13½%	Midland Bank	13½%
Bank Hapoalim	13½%	■ Morgan Grenfell	13 %
BCCI	13½%	Mount Credit Corp. Ltd.	13½%
Bank of Ireland	13½%	National Bk. of Kuwait	13½%
Bank of Cyprus	13½%	National Girobank	13½%
Bank of India	13½%	National Westminster	13½%
Bank of Scotland	13½%	Northern Bank Ltd.	13½%
Banque Belge Ltd.	13½%	Norwich Gen. Trust	13½%
Barclays Bank	13½%	People's Tst. & Sv. Ltd.	14½%
Beneficial Trust Ltd.	14½%	Provincial Trust Ltd.	14½%
Brit. Bank of Mid. East	13 %	R. Raphael & Sons	13 %
■ Brown Shipley	13½%	P. S. Refson	13½%
CL Bank Nederland	13½%	Roxburghe Guarantee	13½%
Canada Perm'nt Mtge	13 %	Royal Bank of Scotland	13½%
Cayzer Ltd.	13½%	Royal Trust Co Canada	13 %
Cedar Holdings	14 %	■ J. Henry Schroder Wagg	13 %
■ Charterhouse Japhet	13 %	Standard Chartered	‖13½%
Choulartons**		TCB	13½%
Citibank NA	13 %	Trustee Savings Bank	13½%
Citibank Savings	¶12¾%	United Bank of Kuwait	13 %
Clydesdale Bank	13½%	United Mizrahi Bank	13 %
C. E. Coates & Co. Ltd.	14½%	Westpac Banking Corp.	13½%
Comm. Bk. N. East	13½%	Whiteaway Laidlaw	14 %
Consolidated Credits	14 %	Williams & Glyn's	13½%
Co-operative Bank*	13 %	Wintrust Secs. Ltd.	13½%
The Cyprus Popular Bk.	13½%	Yorkshire Bank	13 %
Dunbar & Co. Ltd.	13½%		
Duncan Lawrie	13½%		
E. T. Trust	14½%		
Exeter Trust Ltd	13½%		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	14½%		
■ Robert Fleming & Co.	13½%		
Robert Fraser & Ptns.	14½%		
Grindlays Bank	‡13 %		
■ Guinness Mahon	13 %		
■ Hambros Bank	13½%		
Heritable & Gen. Trust	13½%		
■ Hill Samuel	§13½%		
C. Hoare & Co.	†13½%		
Hongkong & Shanghai	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1 month 10.75%. Fixed rate 12 months £2,500 10.75%, £10,000 12 months 11.00%.
† 7-day deposits on sums of under £2,000 10½%, £2,000 up to £50,000 11½%, £10,000 up to £50,000 11¾%, £50,000 and over 12%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11½%.
¶ Mortgage base rate.
§ Demand deposits 10½%.
** See Provincial Trust Ltd.

Swiss court expected to order NUM funds' return

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SWISS court is expected soon to order the return to England of ebout $260,000 (£210,000) of the funds of the National Union of Mineworkers.

The court will order the money to be handed over to Mr Michael Arnold, of chartered accountancy firm Arthur Young, the High Court-appoioted receiver of the NUM's assets.

Two weeks ago Mr Arnold asked the court in Zurich to release the money to him. The court gave the union until yesterday to object.

The money had been paid into court by EBC Schweiz, part of the European Banking Corporation group, to which $623,000 of NUM funds—part of the £8.5m the union transferred abroad last year to avoid sequestration—had been traced.

It is believed the NUM used the halance of abont $363,000 to finance the complicated exchange transactions to keep its funds out of the English courts' reach.

In January, Mr Arnold said he had recovered £4.9m of NUM funds from Luxembourg.

Judgmeot is still awaited from lhe Irish High Court on who is entitled to £2.75m of NUM funds in Dublin.

The High Court in London was yesterday given a 1,500-page report detailing the seqoestratioo since it was set in train five months ago.

The sequestrators, four partners in Price Waterhouse—succeeded in tracking down all the money the union sent abroad, and most of its assets in the UK, obut they have still got their bands on only about £3,000.

They discovered that the National Union of Railwaymen lent the NUM 100,000 in November, which had been intended as the first instalment of a £500,000 ioterest free loan, repayable in 1989.

Also in November the Transport and General Workers' Union made three cash payments totalling £58,000 to the NUM out of a £492,000 loan facility it granted to the miners.

It appeared that the whola of the facility had been taken and the inference was that the balance had gone to NUM areas, said Mr Howard Page, the sequestrators' counsel.

The Union of Communications Workers gave £10,000 in November and the following month the NUM Cokemen's area paid the rent on the union's Sheffield beadquarters.

●Contempt of court fines totalling £525,000 imposed on the National Graphical Association print union during its battle with Mr Eddie Shah's Messenger newspaper group, have beeo paid to the igh Court.

Technology dispute at paper ends

By Our Labour Staff

THE National Union of Journalists chapel at the Portsmouth News decided yesterday to end the 15-week dispute at the paper which was triggered by an inter-union demarcation row over new technology.

The NUJ's relations with the National Graphical Association have beeo normal for several weeks. Outstanding differences concerned payments for using direct input technology.

Earlier this week the NUJ chapel re-affirmed its acceptance of the company5's pay offer of £8 for reporters and £12 for sub-editors. The exact terms of a back-to-work agreement remained in dispute.

But yesterday the chapel fully accepted the company's wording of the back-to-work and new technology agreements. Union officials argue that although they have not stopped the NGA winning collective bargaining rights for its members transferred into editorial jobs they have mada NGA agreements essentially dependent on the NUJ one.

An NUJ conference rejected yesterday a motion calling on members at the Wolverbamptoo Express and Star not to cross NGA picket lines.

Building workers' in 'substantial' claim

THE MAIN building industry unions yesterday lodged a claim for a "substantial" pay rise, movement towards the objective of a 35-hour week, and an extra week's holiday. The present minimum rate for a craftsman is £102.38 a week and for labourers £87.17.

The negotiations on a minimum rate directly affect only a small proportion of the 600,000 workers covered by the Building and Civil Engineering Joint Board. The employers will reply on April 29.

THE WEEK IN THE MARKETS

Deluged by company results

LONDON

ONLOOKER

Like a tidal wave, results from the corporate sector deluged the market this week with something close to 150 companies producing figures. As the analysts waded through the announcemeots there were few that failed to live up to the City's expectations—which has to be good news. But share prices that have been discounting profits for months in advance are unlikely to respond dramatically when expectations are coofirmed. So the equity market tended to drift downwards as investors started to concentrate on one or two negative factors.

The currency markets are still the main focus of attention. The rise in the dollar was broken this week with a particularly vicious shakeout on Wednesday which left the sterling index at its highest level since September, as currency players rushed to take advantage of high British ioterest rates. A couple of the clearers decided to clip their base rates by half a poiot to 13 per cent, though the Bank did not look amused and the other two High Street banks held theirs at 13½ per cent.

With sterling baving made up a fair amount of lost ground, but interest rates still at relatively high levels, the obvious fear is that some companies will be squeezed by large interest bills without any benefit of a weaker currency. And unless the growth of the mooey supply decelerates sharply, the decline in interest rates could be a long process.

So while the gloss is coming off prospects for profits, the investment institutions are also looking at some hefty calls oo their purses. Those large rights issues from the likes of Barclays, Trafalgar House, Fisons and United Biscuits have got to be paid for and, before investors know it, the British Aerospace prospectus will be landing, shortly to be followed by the oext instalment of Telecom. With that sort of commitmeot io froot of them, there seems little reason for the iostitutions to push mooey into a rather dull equity market at present.

British Aerospace

The sale of the Government's remaining stake in British Aerospace this spring, aloog with the company's own rights issue should proceed without a hitch. The full year figures for 1984 were published this week and while they were no better than the market had anticipated, the whole perception of BAe is far more positive these days.

Actually, looking back over the performance charts of the last four years, it took the atteotions of Thorn EMI and GEC last summer to act as a catalyst for rerating. But it says something for the group that it has held on to its higher price, despite the removal of bid thoughts.

BAe's total pre-tax profits rose by 46 per cent to £120m — right in line with City forecasts. The only dull performer turned out to be "space" where losses increased from £14.2m to £15.2m on lower turnover. The deficit has probably beeo inflated by provisions against possible losses oo the Unisat contract, but the market was more concerned with the profits growth from the military aircraft and guided weapoo and electronic systems divisions, where BAe makes the bulk of its money.

Civil aircraft profits are still marginal at £7.5m compared to £13.6m in 1983 but this disregards launching costs, anyway, which rose by nearly £10m to £51.1m aod are set against group profits rather than that particular division. Exactly when the civil aviation market will take off again is a moot point. For the moment it is probably fair to assume that civil aircraft will continue to eat up BAe cash for the next couple of years.

BAT reaches £1.4bn.

As a whole, group profits in 1985 look set to reach around £150m pre-tax with reduced losses from space, a slightly better performance from military and civil aircraft and a sharp increase again from guided weapons. That drops the prospective p/e to around 6 which is hardly demanding.

Exclusive membership of the "Over £1bn profits club," oil barons aside, has been doubled with the arrival of BAT Industries, sporting a £1.4bn profit for 1984, to join ICI. BAT's figures, showing a 44 per cent increase pre-tax, should have been an occassion for some satisfaction in the City but the group failed to please and the share price dropped by more than 6 per cent on the day of the news.

There were two reasons for the sour reception, one totally beyond BAT's control. With 57 per cent of operating profits earned in North America and straight currency gains accounting for around £200m of the £400m profits advance, the shares are obviously vulnerable to any downward twitch in the dollar. And BAT picked the very day that the dollar started to fall in earnest to report its results.

The other factor to mar the announcemeot was the unusual accounting treatment at Eagle Star. BAT has decided to bolster the insurance subsidiary's profits by iocluding £95m of profit for unrealised capital gains. Jumbling up unrealised gains with operating profits is a little adventurous, to say the least, and while it highlights the fact that reported figures from composites geoerally do not tell the whole tale of performance, it is not a move that will find many imitators.

Io fact shareholders might wooder why BAT has thought it necessary to try such a novel accounting method at Eagle. An incremeot of £95m does not make that much difference when reporting £1.4bn, especially as £1.3bn would anyway have been at the top end of brokers' forecasts. However, without that treatment Eagle Star's profits would have beeo just £70m, excluding Grovewood, aod that would not have been much of a return on an acquisitioo costing the best part of £1bn.

Anyway, Eagle aside, BAT has come through with a very strong performance. Exchange rates have obviously helped, particularly in the tobacco division where operating profits jumped by 29 per cent to £700m. But even so tobacco experienced good gains in three leading markets—Brazil, West Germany and the U.S.—after a fairly poor 1983.

The retail side, now BAT's biggest profits centre outside tobacco, was something of a mixed bag, but overall it showed an increase of a third to £221m at the operating level.

The U.S. subsidiaries faced a difficult year with dollar earnings down by about a tenth. Margins were eroded by heavy price-cutting to clear excessive stocks levels, while the vagaries of the weather upset traditional sales patterns.

In the UK, however, Argos enjoyed an exceptional year with a strong rise in profits. The venture ioto jewellery retailing is also going well. In Germany, Horten made an initial contribution, worth something over £20m for four months as the period covered one of the company's peak selling seasons.

The paper division's profits jumped by 44 per cent to £144m with Appletoo in the U.S. puttiog up an impressive performance.

Seotimeot is clearly against the shares at the momeot because of the weakness of the dollar but eveo so analysts are still looking for some modest growth in the current year. Assuming profits reach around £1.55bn pre-tax, the prospective p/e drops to around 5¼, which is hardly expensive in anybody's book. Before BAT gets to reporting 1985 figures, however, the market is more thao likely to have been treated to ona or two large takeovers again.

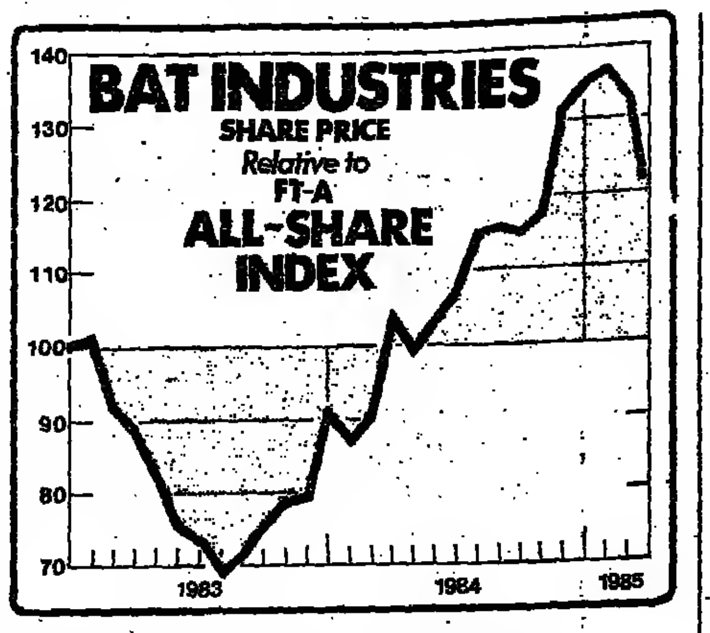
A bid for UBM

Norcros and UBM Group finally tied the knot this week with an agreed offer valuing the builders' merchant at £113m. Shareholders in UBM should be more than satisfied with the terms, for Norcros is offering seveo of its own shares and 840p in cash for every 10 UBM shares they hold. That is worth a couple of pence per share more than the cash alternative pitched at 189p. If anyona has room for complaint it could be Norcros' shareholders whose company is paying a generous price for the agreement of the UBM board.

For years throughout the seventies UBM—or as it then was, United Builders Merchants—was labelled as a bid target. Its profits performance was dismal and the managemeot seemed unable, to observers in the City, to pull the group out of its rut. Indeed, such were the group's problems that more than one prospective buyer is believed to have run an eye over the group only to walk away fearing that it was beyond redemption.

Management changes in 1982 heralded a change of attitude but the new men very nearly lost their chance to revitalise UBM. Norcros launched an aggressive bid of £64m in August 1983. Even with a further £13m added to the price a mooth later, however, the UBM management was able to rally sufficient institutional and private shareholder support to fend off the unwanted bid. But Norcros was left holding a 36.5 per cent stake.

Yet even that offer, worth 125p in cash, was regarded as too generous by some in the market who could see Norcros shareholders ending up with a diluted earnings base. So by the time a yetar had rolled by, aod Norcros was free to bid again last October, there were few investors around that thought the building materials and engineering group would have another crack at a bid.



So when both UBM and Norcros called for a suspensioo of their shares on Tuesday, after a sharp rise in UBM's price, there were still those around who believed the move to be a forerunner of a placing of Norcros' stake. And with the shares standing within pennies of each other that belief had some justificatioo. When Norcros first launched its bid in 1983 its shares were trading at a premium of 45 per cent to UBM's.

So, not surprisingly, some are greetiog the agreed deal with a certain amount of dismay. UBM has estimated profits of £13.5m for the 12 months to the end of last February, compared to £10.2m. On that basis Norcros is paying an exit p/e of 13 for a group which could be very close to the top of its profits cycle.

The bidder does have the advantage of having bought over a third of the equity at a lower price but, even so, capital geariog will be raised to about 55 per cent and though Norcros may be able to avoid earnings, dilution in 1986 its shareholders might have been better served by selling the UBM stake and buying something unaffected by the constructioo cycle.

A meeker Pru

Thanks to its noo-life business, the mighty Prudeotial does not look quite so mighty these days. Figures announced this week show that profits for 1984 fell by a fifth to £78m and even that is after the country's largest life group has indulged in a little massaging of the results.

The group has distributed some of the fat in its life funds to policyholders by additional bonus payments with the automatic result that shareholders get their percentage — a £21m non-recurring benefit straight into the profits.

The Pru has also decided to adopt a policy of discounting of reserves at Mercantile and General, its poor performing reinsurance subsidiary. That has had the effect of reducing the reported underwriting loss by £20m.

But in fairness a substantial amount has been pushed into reserves at M and G before the profit levels have been struck, so the attempt to flatter by tucking part of the underwriting losses out of the way only partially softens the blow of bolstering M and G's reserves. So this swings-and-roundabouts arrangement actually leaves reported profits lower than they might have been.

But no matter how the analysts play around with the numbers to get a clean figure, the important fact is that the Pru's general insurance operations have continued to produce some grisly results. Yet, as with the composites which have reported recently, it does seem that the bottom of the cycle has been passed. Nobody should think in terms of anything other than a long haul back to health for the non-life business but the recovery potential is there and the underlying confidence within the management is evident in the dividend declaration.

Despite a one-third fall in earnings per share to 15.1p the group has posted a 3½p increase in the payout to 22½p. That was better than the market had expected and now the analysts are talking of 25p or 26p for the current year raising the yield to 6 per cent. That puts a sufficient platform under the price to hold it around the 600p mark until the profits start to recover.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984/5 High	1984/5 Low	
F.T. Ord. Index	964.3	−28.1	1,024.5	755.3	Post-Budget apathy continues
Australian Cons. Minerals	45	+11	45	17	Firm bullion price
Bell (Arthur)	138	−20	177	130	Interim results disappoint
British Aerospace	423	+48	423	216	Excellent annual results
Brown (Matthew)	442	+27	442	208	Bid situation
Burnett & Hallamshire	90	+20	205	45	Rally from recent weakness
Clyde Petroleum	95	+ 9	150	80	Better-than-expected results
Delta Group	155	+23	155	65	Impressive annual results
Energy Services	90	+29	90	34	Bid from Peek Hldgs.
French Connection	260	−100	395	145	Broker lowers profits forecast
Gas (Cecil)	140	−45	195	121	Disappointing annual results
Jantar	23	+10	27	11	Sharply increased dividend
Lloyds Bank	523	−27	620	417	Latin American debt situation
Manchester Ship Canal	326	+34	330	157	Asset value considerations
Reardon Smith	27	+10	47	4	Speculative demand
Royal Bank of Scotland	270	−22	294	180	Fading bid hopes
The Times Veneer	49	+ 7	52	9	Bid from Cap. Dev. International
Thorn EMI	396	−34	700	375	Adverse circular/Inmos worries
UBM	186	+47	190	125¼	Agreed bid from Norcros
Woolworth	780	+87	784	340	Bumper results/scrip issue

Animal noises

NEW YORK

WILLIAM HALL

WHEN President Reagan turned up at the New York Stock Exchange on Thursday morning to ring the opening bell and deliver a pep talk to Wall Street traders, he was in fine form.

Describing the American economy as a racehorse that's begun to gallop in front of the field, President Reagan vowed "to turn the bull loose" and "drive the bears back into hibernation." But Wall Street failed to respond to this fighting talk.

He came down to "lecture the choir." This was how Bob Stovall, a senior vice-president at Dean Witter Reynolds, summed up the first visit of a U.S. President to the 193-year-old stock exchange. Accompanied by Donald Regan, the former head of Merrill Lynch and now his chief of staff, the President clearly enjoyed his visit to the heart of American capitalism, and joked that "what you have done for me is better than a hot tip."

Wall Street dealers were impressed by the President's confideot mood but it was not sufficient to shake the stock market out of its current doldrums. The collapse of the dollar, concern about corporate profits and the mixed signals coming out of the U.S. economy have left the market in a confused state at the end of the first quarter of 1985.

After the previous week's 20-point rally, Wall Street has drifted for much of this week in spite of a firm performance in the U.S. credit markets. The immediate cloud hanging over the market is the stream of increasingly gloomy earnings projections coming out of both Wall Street and the companies themselves.

IBM shares, which have a big influence on the overall Dow Jones industrial average, plunged by $3¼ to $124¼ on Monday after the company said it would report lower earnings in the first quarter, its first quarterly earnings decline since late 1981. IBM earned $1.97 a share last year and Wall Street's projections for the latest quarter are between $1.50 and $1.98 a share.

The giant computer maker blamed the strong dollar and new product introductions for its short-term setback but says that it is expecting a strong second half. Wall Street seems to agree and E. F. Hutton, for example, are estimating full year earnings for IBM of $11.75 a share, compared with $10.77 a share in 1984.

General Electric has been another blue chip whose performance has pulled down the market this week. First it announced that its first-quarter earnings would be in the range of $1.10 to $1.15 per share, compared with the market's consensus view that the company would earn $1.20, against $1.07 last year.

Then it became embroiled in an embarrassing row with the U.S. Defence Department which charged it with defrauding the Government by charging too much. On Thursday the U.S. Air Force took the highly unusual step of suspending the company temporarily from receiving any new defence contracts. GE, the country's fourth biggest defence contractor, feels that the Government has overreacted following the allegations that the group may have overstated some $0.8m of Government bills.

Coming on the heels of a Government crackdown on General Dynamics, the nation's number one defence contractor, it looks as if this is all part of a well rehearsed campaign to demonstrate to the great American public that all the extra billions of dollars which have been earmarked for the rapidly escalating defence programme are not being wasted.

The big U.S. defence contractors have done very well since President Reagan came to power while the rest of U.S. industry has beeo struggling to recover from the combination of the recession and very high real interest rates.

As often happens Wall Street finds it very difficult to strike a balance between heady euphoria and unrequited gloom. This week was no exception and the market has tended to ignore some reasonably good news which could fuel another attempt at the 1,300 level.

In spite of the recent weakness on Wall Street in recent weeks, investors have had a good first quarter. The overall stock market, as measured by the New York Stock Exchange Composite Index has risen by more than 7¼ per cent since the start of the year and the over-the-counter market is up by over 12 per cent.

Monday	1,259.94	− 7.51
Tuesday	1,259.72	− 0.22
Wednesday	1,264.91	+ 5.19
Thursday	1,260.71	− 4.20

Signs of a slow-down in junior market

Unlisted Securities Market

THE FIRST signs have appeared of a slow-down in the number of new companies joining the USM.

When dealings began in architectural ironmonger Laidlaw Thompson yesterday, the company became only the 17th new issue on the market this year. By the same time last year 26 companies had joined.

It is too early to be certain about definite trends in the market but it seems clear that the main reason for this decrease is a sudden fall in the number of computer-related companies coming to the market.

The first quarter of this year has seeo only two—software house Spafax, and Memcom, an electronic filing company — against eight last year.

Brian Winterflood, managing director of jobber County Bisgood (formerly Bisgood Bishop) is convinced that brokers are reluctant to bring new high-technology companies to the market in the wake of the collapse of shares in Acorn Computer and other computer-related companies on the USM, such as Xyllyx and Cifer.

Other market experts are less certain of the reasons for the downturn in new issues. But it is difficult to find alternative explanations. The USM, like the main market, has held up well in the last three months despite the spectacular movements of sterling and interest rate increase. The USM index is almost 10 per cent higher than at the beginning of January.

Admittedly, there has also been a sharp decline in the number of new issues on the main market this year—eight against 17. But this is readily explained.

First, there was a flood of companies seeking a listing late last year before new regulations were brought in making it much more expensive to secure a stock exchange quotation.

Second, there has been a great increase in rights issues in this quarter—25 against 16—taking up the market's capacity for raising new capital.

Meanwhile, the market makers on the over-the-counter market report that they are busier than ever. Harvard Securities says it has brought nine companies to the OTC market, against five last year.

But it seems unlikely that this increase has been achieved at the expense of the USM—most recent OTC flotations have offered investors shares which qualify for tax relief under the Business Expansion Scheme. Investors in USM companies are not eligible for this relief. In any case, start-ups find it harder to come to the USM these days, when the three-year track record tends to be obligatory.

Certainly, there seems no general decline in interest in the USM among companies looking for a flotation. Alan Comber, partner in accountant Peat, Marwick, Mitchell, says that offices across the country seem to be as busy as ever with likely-looking companies.

Indeed, the lull in high-technology flotations may be no bad thing for the USM. For it has given time for a broader range of businesses to come to the market, giving investors more choice and allowing them to build more broadly-based portfolios.

As a glance at the table shows, this year's crop of new issues includes companies in old-established industries. But there is also plenty of room for the latest fashions—wallpaper company Osborne and Little has caught the investor's imagination because of the emphasis it places on design, and so it leapt to a 62.4 per cent premium over the issue price—a USM record for the year.

Just behind Osborne and Little is Bluebird Toys, trading at a 53 per cent premium, whose founder, chairman and chief executive Torquill Norman has won strong City support.

Turning to the bottom of the table, there are seven companies which have failed to rise above the issue price. Antique dealer William Bedford is a special case since it arrived by means of an offer for sale by tender, which was so popular that the price struck—185p—was well above the minimum price of 100p.

The worst performers were, significantly, both graduates from the OTC market—Optometrics and Memcom. In each case, it seems that investors who had bought shares on the OTC have taken the change to sell when the USM flotation made the stock more marketable.

Stefan Wagstyl

USM New issues of 1985

Company	Launch	Issue price	Current price	% change
Optometrics	3/1	55p	42p	−23.6
Bennett and Fountain	14/1	10p	13p	+30.0
Spafax	17/1	68p	104p	+52.9
Whitworths Foods	21/1	95p	113p	+18.9
Synapse	28/1	174p	215p	+23.6
Consolidated Tern	31/1	105p	95p	− 9.5
Memcom	4/2	300p	265p	−11.7
Bluebird Toys	4/2	90p	138p	+53.3
Osborne and Little	18/2	125p	203p	+62.4
Sims Catering	28/2	128p	155p	+21.1
Mayhew	4/3	100p	123p	+23.0
ETS	7/3	82p	76p	− 7.3
Pepe	11/3	100p	96p	− 4.0
William Bedford	21/3	185p	185p	0
Crown International	25/3	60p	78p	+30.0
Laidlaw Thomson	29/3	83p	82p	− 1.2
USM index 3/1/85: 110.10			28.3/85: 120.62	+9.6

Source: Datastream

YOUR SAVING AND INVESTMENTS

Loss of a holiday

A reputable travel firm x recommends a tour operator y for a holiday, and as it is due to commence 8 weeks later x requires full payment (£3,886). Two days before the holiday y goes bankrupt, the holiday is cancelled and I am involved in considerable financial loss in consequence owing to alterations etc. X advised there would be no problem over a refund, as in fact they had paid no monies to y—a circumstance in itself which must have contributed to y's insolvency—and a refund was duly made of the original sum. Since x has held my money for the period involved, I consider I am due some compensation if only on the interest which will have been earned in the period. Do you agree?

We do not think that you would have any valid claim to compensation in law (beyond the refund of your deposit). You might however invite firm x to let you have interest on your deposit, not as matter of right, but in the interest of goodwill.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Error by a bank

On December 17 1984, I was already holding 750 shares in a company but I had over the weekend contemplated buying for recovery. On Monday the 17th December I saw the year end report on telex and they had put on 8p from 47p to 55p. Having missed this 8p, I was not deterred, so I went into my bank and signed to buy 5,000 at "today's best." I have been buying and selling like this with the bank for 20 years. The closing price on the 17th was still 55p.

On Tuesday the 18th they put on a further 12p, and I was pleased my judgment was correct. When I received my contract note I was shocked to find that the bargain had not been done until December 20th and at a price of 67p instead of 55p.

I rang the bank manager and he said he would enquire into this complaint. I have since then had a word with the clerk who transacted the deal, and he has done this correctly in the past, but he is full of excuses over what happened to this deal. He says he put the buying order in the post. How can you buy at "today's best" through the post? I feel he has been careless in executing his duty, but I am the one who stands to lose the £600. What can I do about this error?

We think that you have a valid case to require the Bank to make up your loss. It was up to the Bank to ensure that the transaction was effected on the day on which you signed for purchase if the bargain was to be at that day's best price.

Use of a granny flat

Some three years ago we extended our property to enable my mother to move into a self-contained granny flat. Planning permission was obtained and a copy is enclosed for your information. My mother died at the end of last year and we decided to let the flat. The planners tell us that their consent only covers occupation by an immediate member of the family. Do you feel that the local authority view is correct? After all we could have been letting the property to my mother.

In the circumstances we are considering taking in a lodger to occupy the flat. Do you think this is feasible? If so: What level of services need we provide? Would meals be necessary? Would some sort of written agreement be necessary?

We think that the form of planning permission given does not restrict the occupancy of the flat to members of the family. The phrase "granny flat" is apt to describe the nature of the accommodation, not the use to which it may be put. On a new letting you do not need to provide services; but should consult a solicitor.

Indemnity required

Last year I returned some share certificates to the Registrars of the company so that they could be registered in the new name following an agreed takeover. The new certificates were apparently posted to me last February but have never arrived. On requesting duplicates I have been sent what is apparently the usual indemnity form asking me to cover them against all claims and to pay my bank to countersign the indemnity—the same bank which is acting as Registrar. By all logic it would appear to be the Registrars who should indemnify me against loss of the certificates since it is I who will be the loser if the original certificates are in the wrong hands assuming they have indeed been posted. I have written to ask whether they can produce any evidence that they have been posted. Do I have any legal right to demand the return of the certificates or do I have to acquiesce in this illogical procedure? Is posting considered to be delivering in the eyes of the law? If the answer to the above is yes—what would be the position if my certificates had not arrived at the bank after I had posted them by recorded delivery?

As a matter of law it remains doubtful whether the practice of asking for an indemnity on the issue of duplicate shares is justified. In practice, however, most people give the indemnity rather than issue proceedings against the company for the delivery of the share certificates; which the company is bound in law to do. We do not think that posting is sufficient, certainly not without registration or recorded delivery service.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Purchase of house abroad

I have a substantial sum on current account in Switzerland for several years (since lifting of exchange control), originally intended for house purchase which never took place. The money was left for possible exchange benefit on the advice of a resident relative and has certainly shown a good result in sterling terms. The exchange now moves little and I am thinking of repatriating it perhaps to Guernsey where I have other funds. Are there any circumstances which would give rise to gains tax on this repatriation and, if so, how can they be avoided? No interest was involved. The gain could well be in excess of £10,000 on paper.

Provided that you can produce some evidence that the Swiss Francs were originally acquired for the purchase of a house, the gain should be exempt from CGT. Section 135 (2) of the CGT Act 1979 exempts "a sum in an individual's bank account representing currency acquired by the holder for . . . expenditure on the provision . . . of any residence outside the United Kingdom."

Gold bounces back but doubts persist

AFTER more than two years of steady decline the gold price has at last bounced back, as a beneficiary of nervousness about the U.S. banking system and dollar.

Newspaper advertisements for gold funds and kruggerrands, which had been long gathering dust, have suddenly started re-appearing.

In dollar terms, gold's performance has been impressive. From a low of $284 an oz last month it has rebounded to around $330, at one stage hitting $350.

But before you rush out to stock up with kruggerrands, it is worth looking at just what has been behind the recent recovery and the factors which affect the outlook.

And note that the price of gold in sterling terms, tells rather a different story than the more generally quoted dollar price.

The experts in London's bullion market are agreed that the speed of the recent recovery—the price was below $300 as late as March 18 — was due largely to technical factors.

The scene was set by gold's steady decline over the past few months to below $300.

The dollar's continuing strength and high U.S. interest rates had prompted U.S. investors in particular to go short of gold on the futures and options markets.

At the same time, with the price below $300, physical demand for gold — particularly from the jewellery trade and hoarders in the Far East — began to pick up, giving the market some underlying trend.

Once the price began to rise because of concern over the dollar its momentum became self-generating as the speculators with short positions scrambled to cover their positions.

Since then a further fall in the dollar's value has allowed it to consolidate, and brought some revival of speculative demand.

The key to the outlook, however, will be whether the recent move out of dollars is more than a temporary loss of confidence, which would re-establish gold's credentials as a safe haven in times of crisis.

Robert Beale, a director of the gold bullion dealer Samuel Montagu, says that there have been some signs of investor, or speculative, buying of gold needed for a sustained rise in the metal's value. Underlying demand for gold from industrial users has also remained strong.

But Mr Beale and other experts in the market agree that the price still mirrors the fortunes of the dollar, which means that it has gained little in terms of sterling and many other currencies.

The sterling price has been more or less unchanged at about £270 for all of this month.

Many believe that for gold to take off there would have to be a major upsurge in inflationary expectations in the U.S. to restore what is regarded as they key speculative drive for the price of precious metals.

And although there are now increasing worries about the outlook for prices in the U.S. there is little indication of runaway inflation.

Philip Stephens

If you can't beat them . . .

LIFE COMPANIES generally regard building societies as deadly rivals and try to get customers to switch as much of *their money as possible* from building societies into life or pension contracts.

However, Crown Life has taken the opposite stance in designing its latest product, the Second Savings Account. The promotional literature announces that "Everyone should have a building society account."

This new plan is designed to complement building society investment, using its best features.

Investors like building society investment because the operations of its savings are simple and flexible and access to cash is easy. These are the two central features of Crown's new plan.

Investors can make both lump sum and regular payments into the plan. Details of the investment are kept in an accounts book so that the investor can see exactly where his account stands.

Withdrawals can be made at any time, provided at least £500 is kept in the account. Contributions can be varied or even missed without formality or penalty. Once the investor has saved £2,500, the plan provides a special type of cheque book for withdrawals.

The plan comes in three forms, the most basic being a three star account. Here, the basic regular contribution is £30 a month. This gives a bonus after five years and can provide the basis for a mortgage. There are several guarantees on increasing life assurance cover and there are options on sickness, disability and further life cover.

For four stars, the investor gets redundancy protection, a special bonus on all regular contributions, higher priority for mortgages and more investment flexibility.

Five stars gives guaranteed access to mortgage funds, a higher bonus, free switching between funds and interest-free loans.

The plan has an average set of charges and the investment performance of its 11 funds on offer has been above average.

Eric Short

Gulliver breaks out

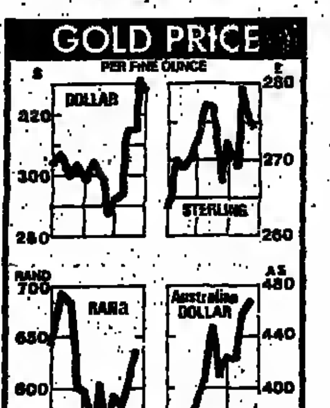
MINING

KENNETH MARSTON

GULLIVER, the golden giant, has at last broken some bonds to hit out at his tormentors. The sudden rise in the dollar price of gold has caught many traders in New York on the *wrong foot* and their need to cover short positions has cost them dearly to the point at which one clearing member of the futures market has gone to the wall.

As Mr J. Ogilvie Thompson, chairman of South Africa's big Anglo American Gold Investment (Amgold) has pointed out this week, the strong rise in the value of the U.S. dollar has been the major dampening influence over the dollar price of gold during the past two years.

As the dollar has risen so it has required less dollars to buy an ounce of gold, hence the fall in the U.S. price. By the same *token, the recent fall* in the value of the dollar, brought about by worries over banking problems in the U.S. and fears over inflation and a possible faltering in the economy there, has caused the dollar price of gold to rise, although the squeeze in the futures market has also played a major role.



You can see this change of course in the accompanying charts of gold prices in four currencies this year. The sterling price has eased in line with the recovery in the £—remember my advice last month for UK holders to sell gold at the high sterling prices and for U.S. citizens to buy at the low dollar prices?—but because of continued weakness in South African rands and Australian dollars the gold prices have kept up in those currencies.

What really matters in gold, or anything else come to that, is whether the price is rising in real terms. For gold there are really two markets: industrial usage, which though rising still does not mop up the full supply, and so-called investment demand which dominates the price in real terms.

The trigger for investment demand is probably as old as gold itself: it is a need to find a store of value and these days buyers turn to gold when uncertainties, such as inflationary and banking fears, cast a shadow over the value of paper currencies.

So what of gold shares? The South Africans may still buy theirs because if the rand stays weak then the mines will continue to obtain good rand prices for their gold output.

However, as the chairmen of the Anglo American group's Transvaal mines have pointed out in the annual reports this week, South Africa's rising inflation rate could push up working costs which have been well contained *so far*; It will be interesting to see how they have moved in the first three months of this year when the quarterly reports are published next month.

From the point of view of UK investors South African gold shares are not cheap. Because of the rise in sterling, rand dividends are worth that much less over here while dividend yields are far lower than they would normally be when allowance is made for political uncertainties; the latter have hardly eased in recent weeks.

If, and this is by no means certain, the dollar continues to falter and the gold price goes higher in dollar terms, the North American and the Australian gold mines should do well. But, as ever, small investors should tread warily and look upon purchases as a form of insurance policy.

● The Anglo American group's Bermuda-registered flagship for investment outside South Africa, Minerals and Resources Corporation (Minorco), continues to sail through cold and rough seas. In the first half of the year to June 30 net earnings have dropped to U.S.$22m (£17.7m), or 13 cents per share, from $205.7m a year ago when there was an extraordinary gain of $130.3m on the sale of part of the holding in the U.S. Phibro-Salomon commodity dealing and investment banking group.

This time Minorco has had to debit $40.4m for its share of the 36 per cent-owned Charter Consolidated's losses on investments in *Johnson Matthey and Cape* Industries plus Engelhard's losses on refinery closures.

Other interests have suffered from the strength of the dollar and low metal prices and no improvement is likely in the second half of the year. Minorco expects to maintain its dividend at 22 cents, but yielding under 3 per cent, the shares of this admittedly strongly financed company may appeal only to the most patient of long term investors.

YOUR SAVINGS AND INVESTMENTS

Margaret Hughes on building society rates

Best buys for wise depositors

THIS WEEK'S cut in bank base rates will make the increases in building society investment rates more attractive to depositors. Had the clearing banks not reduced their rates, the building society returns would still be trailing behind.

The interest rate paid by the major building societies on their 90 days notice accounts is now ahead of the high interest bank accounts. From Monday they will pay 10 per cen net which, because interest is paid half yearly, is worth 10.25 per cent on a compounded basis. These are the accounts which are the most competitive with the new high interest accounts which the banks have launched in preparation for April 6.

The Halifax's new Premium Extra account goes one better than the conventional 90 days' notice accounts combining it with a three-year income bond. This guarantees investors with £10,000 or more a return of two percentage points above the ordinary share rate for three years from the date of investment. At present, this rate would be 10.25 per cent net or 10.65 per cent on a compounded annual basis. (Interest will be paid quarterly.) Investors can withdraw funds provided they give 90 days notice or are prepared to forego 90 days interest. After their account has been opened for three years, it reverts to a 90 days notice account on which the Halifax pays the same rate as the other four major societies.

These returns compare with the 9.9 per cent net on Barclays Higher Rate Deposit Account on balances of £1,000 and over. This is equivalent to a compounded annual rate (CAR) allowing for quarterly interest payments of 10.27 per cent annually. However, Barclay's has yet to cut its base rate again.

Similarly, National Westminster Bank's Special Reserve account now pays 9.625 per cent net on balances of over £2,000 (CAR 9.98 per cent). This account pays a higher rate of 9.75 per cent net (10.11 per cent CAR) on balances of over £10,000.

Midland Bank which has also not yet cut its base rate again pays on its Saver Plus account a net rate ranging from 8 per cent net (8.24 per cent CAR) to 9.5 per cent net or (9.84 per cent CAR) depending on the balance held in the account. The lower rate is for balances of £100 and the highest for balances of over £10,000. At present only the Midland and NatWest pay these rates net of tax but all banks will have to do so from April 6.

You can get the higher return from building societies for smaller amounts—£500 in the case of the "Big Five." But this has to be weighed against the need to give 90 days notice of any withdrawals if investors are not to suffer a loss of interest. Investors with balances of more than £10,000, however, are allowed instant access without interest penalty.

As usual, investors can get better returns if they are prepared to invest in the smaller societies. Of those societies which have so far announced their new rates, the best buy for the smaller investor are Skipton Sovereign Shares. From Monday these shares which pay interest once a year will give a return of 10 per cent on balances of £500 and over

Those with between £1,000 and £9,999 to invest will get a better return, also with instant access and no interest penalty from Cheltenham and Gloucester's Gold Account. The differential on this account above the ordinary share rate has increased to 2 per cent, giving a return of 10.25 per cent net with interest paid annually.

Those with £2,000 or more to invest will get a better return from Peckham Super Shares which will pay 10.91 per cent net CAR with instant access and no interest penalty.

These accounts offer better returns than the instant access accounts of the five major societies which also require a minimum investment of £500. The Halifax's new Instant Extra Account, Leeds Permanent's Liquid Gold and the Woolwich Prime Account will now both pay 9.75 per cent and pay interest annually.

You will also get the same annual return from Abbey National's seven-day account which pays interest half yearly so that its CAR matches the returns of the other two. The Abbey National also pays the same rate on balances of between £100 and £499 but then requires seven days' notice of withdrawal.

Of the better known societies the Anglia's Instant Gold, launched earlier this month, offers the same return with instant access but requires only a minimum investment of £250 to qualify.

This leaves only the Nationwide amongst the leading societies, paying 9.5 per cent net giving a CAR of 9.73 per cent only offering instant access on balances of £2,000 and over. Otherwise the Nationwide requires seven days' notice of withdrawals on their accounts on which it will pay the same return on minimum balances of £100.

Among the other new offers are longer term accounts from both the Anglia and Leeds and Holbeck on a minimum investment of £500. Anglia's High Income Bond will pay a guaranteed two percentge points above the ordinary share rate for a full year from the date of the investment. At current rates that is 10.51 per cent net CAR. Leeds and Holbeck's Extra Special Bonus Shares will pay a guaranteed 2.25 per cent above the ordinary share rate over a three-year term giving a current rate of 10.78 per cent net CAR.

Over the next week or so there will undoubtedly be still better offers available, especially from the smaller societies although the cut in bank base rates may prove something of a restraint. Building Society Choice—which publishes a guide to building society investment and which in its issue next week will also cover the main clearing banks' investment accounts—expects to see 28 days' notice accounts providing a return of at least 10.9 per cent CAR and instant access or short notice accounts providing a return of 10.5 per cent net CAR on balances of less than £1,000 and o 10.8 per cent net CAR on balances of over £2,000. It is available on subscription from Research and Information, Riverside House, Rattlesden, Bury St Edmunds, Suffolk IP30 0SF £2.50 per copy

THE BEST BUILDING SOCIETY OFFERS

Society Account	Notice period	Minimum investment	Compounded annual rate net of basic rate of tax %
Nationwide	7 days	£100	9.73
Anglia Instant Gold	nil	£250	9.75
Skipton Sovereign Shares	nil	£500	10.00
Abbey National, Halifax, Leeds Permanent, Woolwich	nil	£500	9.75
Peckham Bonus Shares	7 days	£500	10.14
Cheltenham & Gloucester Gold	nil	£1,000	10.25
Peckham Super Shares	nil	£2,000	10.91
Nationwide	nil	£2,000	9.73
Abbey National, Halifax, Leeds Permanent, Nationwide, Woolwich			
Sussex High Interest	90 days	£500	10.56
Halifax Premium Extra	90 days	£10,000	10.65

Clive Wolman on unit trusts and their claims about returns

A problem of the changing pound

IT'S DIFFICULT enough at the best of times to decide which unit trust is likely to give you the highest returns by looking at advertisements and investment performance figures.

But when the pound has been fluctuating as wildly against foreign currencies as it has in the past three months, your difficulties are compounded. Windfall currency gains or losses can transform the investment performance of a unit trust investing overseas in a way that reflects no credit or discredit on the managers.

The dangers of relying on the investment performance claims made by unit trust-managers was highlighted by an advertisement published earlier this month for the Schroder Japanese Smaller Companies Fund.

Schroder Financial Management, a subsidiary of the merchant bank, claimed that in the year after its launch in January 1984, the fund managers had beaten the average returns from the Japanese stock market. At the top of the advertisement, the following sentence appeared in bold letters: "In fact, the Tokyo Stock Exchange Index rose by 24.8 per cent and the Schroder Japanese Smaller Companies Fund by 30.7 per cent."

But the advertisement was not comparing like with like. If it had, readers would have concluded that the fund managers had achieved returns much lower than the stock market average, by about 14 percentage points.

Schroder now admits that the claim, which was in breach of the code laid down by the Unit Trust Association, was made in error — and that the advertisement should first have been submitted for vetting to the fund's trustees at the Midland Bank.

The advertisement was misleading because it quoted without explanation the capital gain of the fund in sterling terms, but the rise in the stock market index in yen terms. Because of the fall of the pound against the yen, if the Tokyo stock market index had been quoted in sterling terms also, the rise would have been 44 instead of 24.8 per cent.

When the pound has been gaining against foreign currencies, it is to the advantage of unit trusts to be able to quote the foreign stock market indices against which their performance is judged in sterling terms. But which method of using these indices provides the more accurate benchmark against which you can judge a unit trust's performance?

The question is complicated by the willingness of most unit trust managers to hedge the foreign currency exposures of their funds (see accompanying article). If their policy was to take no view on currency fluctuations and leave the fund permanently unhedged, the foreign stock market index converted into sterling terms would be the most accurate benchmark.

Conversely, if the policy was to hedge 100 per cent of the foreign assets of the fund on a permanent basis, then the local currency index, as quoted by Schroder, would be a better benchmark. (The Schroder fund does not have such a hedging policy.)

What is trickier is finding a benchmark for managers who say they will hedge and unhedge and continually adjust their currency exposure as currency market conditions change. The most rigorous standard to apply to them would be to take whichever was the higher: the index in sterling terms or the index in local currency terms. On that basis, almost every unit trust manager would conclude that his currency management was a disaster.

A more satisfactory solution, perhaps, would be to require fund managers to publish the figures showing their foreign stock market performance in local currency terms, compared with the relevant index in local currency terms. Investors could then decide if the managers have shown any skills in picking individual stocks and industrial sectors in, say, the Japanese or U.S. market.

Alongside this, the returns of the fund and the index could also be published in sterling terms. A comparison of the two sets of figures would indicate the managers' skills in playing the currency market, if any.

The fine art of hedging at the right time

LAST YEAR, investors in North America made nearly all their profits out of the rise in the dollar rather than from the stock market.

This year, it looks as though the position will be reversed. New York share prices have already steamed ahead, and the dollar has fallen off its perch.

Investors in North American unit trusts could see their investment gains being wiped out if their fund's managers have not taken steps to hedge — to insure against the effects of a fall in the value of the dollar against the pound.

A fund manager can lend money in sterling and immediately borrow the same amount in dollars; this back-to-back loan has the effect of freezing the exchange rate, so that fall in the value of the dollar then falls against the pound.

Almost all of the larger unit trust managers are now using this device for at least some of their investments in the U.S.

The other side of the coin is that if the dollar then rises against the pound, you lose out on the gains you would otherwise be making. Several managers found the performance of their American funds last year was severely damaged because they hedged, but the dollar never fell.

Fund managers began to hedge at very different levels of exchange rate. Some, who thought 18 months ago that the dollar was bound to fall, require a further decline before their hedging pays off.

But M and G decided to hedge only two weeks ago, when the exchange rate stood at $1.065 to the pound. It is already reaping the benefits of the hedge.

M and G in general prefers to concentrate on selecting the right shares, not on currency management. "We don't really consider it part of our job," says investment director Paddy Linaker. But the group felt that the dollar had risen to such heights that they had to take some action, and they were fortunate to select exactly the right moment.

Spotting currency movements is a thankless task, and in many cases is little better than guesswork. Hill Samuel has one of the most reasoned approaches, using a model of purchasing power to gauge the relative strengths of the currencies — but the result of all this was that it hedged at an average of $1.45 to the pound, and has a long way to go before this pays off.

Only 35 per cent of M and G's investments in North American are hedged. Most other large unit trust groups have taken precautions for a larger proportion of their holdings, but Allied is unusual in hedging as much as 80 per cent of the money that is at risk from a further fall in the dollar (see table).

Target and Save & Prosper have also hedged against a fall in the Hong Kong dollar, which is tied to the U.S. dollar. And Britannia is considering hedging its Japanese funds against a possible fall in the Yen against the pound.

TSB, however, thinks things have gone far enough already. It hedged 10 per cent of the value of its American fund at $1.07, but closed the hedge again when the exchange rate reached $1.23. It might go back in if the dollar rose again.

Group	Amount of portfolio hedged (%)	Exchange rate $:£1
Allied	80	1.19
Barclays Unicorn	42	1.24-1.14
Britannia	30-40	1.07 at best
Henderson	50	1.11 at worst
Hill Saml.	58	average 1.45
M and G	35	1.065
Save and Prosper	30-54	1.08
Schroder	25	1.40
Target	50	1.40 at worst

Diamond rings — not always a girl's best friend

When diamonds aren't forever

Paul Cheesewright examines a market in decline—and a possible solution.

TOO MANY burnt fingers. Too many spurious guarantees. Too many diamonds in bank vaults waiting for buyers who never materialised. Memories of the 1970s investment diamond boom and its mid-1980 bust are sharp and often bitter.

The market remains depressed. There is no confidence. In 1980, the value of the investment diamond market was estimated at $600m. Now it is thought to be about $100m a year.

But the problems of the market now and the problems of the market then remain the same—lack of liquidity.

In the 1970s, this was overlooked as investors were led to believe that prices would just keep on rising. They had to believe that. If not, there would have been little point in buying: there is no income from a diamond, only the hope that when the time for sale arrives there will be somebody ready to pay more than the original purchase price.

But because each diamond is different, each has an individual value. And because the valuation of a diamond has traditionally been a matter of personal scrutiny—specialists peering at a stone through a special magnifying glass — estimates of price value fluctuate according to who is doing the peering.

Many people who were seduced into the diamond market during the 1970s could admire the stones, but could not define the value. They depended on the expertise and honesty of the seller. In retrospect it appears that both these attributes were often lacking.

When the speculative bubble on the market burst nearly five years ago, selling companies faded away, leaving investors with worthless guarantees and certificates of value which were only as good as a potential buyer thought them to be.

Certification is probably easier than valuation. It is possible for example, to buy a diamond, and have the certificates department of the Diamond High Council in Antwerp place a laser inscription on the stone defining the nature of the diamond.

This laser technique is becoming available at laboratories in other diamond centres.

But there exists no market open to the general public for the purchase and the sale of diamonds in the sense that it is possible to buy gold Krugerrands through banks and check the daily movement of prices through financial newspapers.

To do the same sort of things for diamonds means narrowing the criteria of value—traditionally based for polished diamonds on the four "C's" of caratage, colour, clarity and cut. Or if not narrowing them, compressing them in such a way that it becomes possible to create a market based on a simple series of prices. One way of doing this is soon to see the light of day in Antwerp through the medium of Real Diamond International, the corporate child of Mr Isy Neuman, a lifelong diamond man from a diamond family.

For years he has been working on a scheme to sell not single diamonds but a portfolio of ten. They would be sealed in a container, the size of a credit card, with a microchip to safeguard the breaking of the seal. Inside with the diamonds would be a certificate, on security paper, specifying the nature of the diamonds, each of which would have a laser inscription.

Mr Neuman's plan is to offer seven types of portfolios, each containing stones of comparable size and quality, adding up in weight from one to five carats.

Prices are and will be quoted on the Reuter Monitor under five sizes of stone and four qualities, thus giving 20 quotations. Real Diamond International would sell at the price being quoted on the day and guarantee to buy back at the price quotation of the day of re-sale.

What Mr Neuman wants is a network of banks and financial institutions handling the sales in the same way as is done for Krugerrands. But here, some four months before Real Diamond International opens its doors for business, is the snag.

"The banks say they are interested, but to come back when the product is ready," he said. "It's a chicken and egg situation. Each bank is waiting for another to take the first step."

Real Diamond International needs start-up capital of $7.2m, which is coming from Dutch venture capital sources, but once underway Mr Neuman plans a public flotation. His holding company will be based in Luxembourg and his diamond sales unit in offshore Bermuda.

Mr Neuman believes that his scheme will provide an open market and an answer to the liquidity problem. He expects sales of $125m in the first year. "Through this system you not only gain the confidence of the public, you help the whole industry recover," he claims.

Simplifying the fund maze: Eric Short reports

Five ways to take a chance

RELIEF is on the way if you're confused by the variety of specialist unit-linked funds offered by the insurance companies with whom you have life policies.

The standard range includes at the very least a UK equity fund, an international equity fund, a gilts and fixed interest fund, an index-linked gilt fund, a property fund, a cash fund and a managed fund in which the manager spreads your money between all the other funds in accordance with his outlook for the market.

The more imaginative or ambitious companies can offer anything from a Singapore and Malaysian fund to a global health-care fund.

But these possibilities are of little interest to most policyholders. They prefer to leave the investment decisions to their life assurance company by putting their money in the managed fund, thus leaving themselves with no choice at all.

Thus, it is both interesting and refreshing to see the investment opportunities offered by the latest entry into the UK life field—AEtna Montagu Life Insurance Company, owned jointly by the U.S. insurance giant AEtna Montagu Life and Casualty and UK merchant bankers Samuel Montagu.

It has adopted the view that although investors do not want the chore of managing their own portfolios, they have a fair idea of what sort of investment risk they are prepared to undertake—ranging from completely safe to highly speculative.

So AEtna Montagu offers investor a choice of five managed funds with varying degrees of risk. It has used the names of animals to identify these funds.

- **Squirrel Fund**—the safest of all funds for the most cautious of investors. It will invest in the most competitive of cash deposits.
- **Bear Fund**—still a cautious approach aiming at steady long-term growth by investing in gilts and the top equity companies in the Financial Times Stock Exchange 100 Share index.
- **Owl Fund**—a balanced approach to investment achieved by the conventional managed fund approach of mixing fixed-interest, equity and property investment.
- **Bull Fund**—an adventurous approach aiming at high performance by investing in the three areas but on a world-wide basis. It will be prepared to put limited funds into recovery and takeover situations and property development.
- **Stag Fund**—for the speculative investor seeking quick high returns. This fund has an open investment brief in any of the areas permitted to life companies, including unlisted companies, takeover situations, new share offers and high technology opportunities.

Investors have switching opportunities between the funds.

The initial response in the few weeks since the company's launch at the beginning of the month is that investors and their advisers have opted for the Squirrel fund or the Stag fund. AEtna Montague accept that the money going into the Stag fund is "hot money" that moves around with the launch of each new fund or life company.

Putting your money offshore

PFC International Portfolio Fund has a less picturesque choice of names for investors than AEtna Montagu, but it also offers a range of underlying funds defined by their general aims, not by a specific investment area.

PFC is an offshore investment fund under the aegis of Jardine Fleming, the Hong Kong merchant bank which already has more than $1.3bn under management.

PFC will not have its own portfolios of shares and bonds, but will invest in other managed funds—UK authorised unit trusts and reputable offshore funds.

The three underlying funds PFC offers are:

- Sterling Income. Investing mainly in bonds, bank deposits and higher-yielding shares, with income starting at around 8½ per cent.
- Balanced Growth. Investing mainly in equity funds with the objective of long-term capital growth, and spreading the portfolio broadly among the major international markets and the major investment sectors within those markets.
- Specialist Growth, with a more aggressive approach to investing in particular markets or sectors, including high risk venture capital investments.

Investment decisions will be taken at Robert Fleming in London—the joint owners of Jardine Fleming. The fund may not invest more than 60 per cent of its assets in Jardine Fleming's own funds, but Patrick Gifford, the Fleming director who will manage the investments, says it is unlikely to be anywhere near that level.

PFC International Portfolio suffers from two major drawbacks because of its investment through other funds, rather than directly: tax, and the double-charging of management fees.

To avoid subjecting UK investors to income tax on all their returns from the fund—including genuine capital gains—PFC must be certified by the Inland Revenue as a distributor fund. But it would fail to qualify if more than 5 per cent of its portfolio's at any time placed in funds which themselves fail to qualify as distributors. The fund's distributor status may therefore be beyond the managers' control, and investors run the risk of a large and unexpected tax bill.

PFC intends to invest in funds which expect to receive distributor status, but this is granted by the Inland Revenue only at the end of each year, so some uncertainty remains.

Investors will also be charged management fees twice over—once by PFC and once by the funds PFC invests in. But even though PFC admits this, it will still charge a steep 1½ per cent annually. Similar organisations which invest in other unit trusts and managed funds charge only ½ to 1 per cent annually.

Initial charges—usually 5 per cent—for buying into a fund should be eliminated. Jardine Fleming and other management groups such as Fidelity, GT and Henderson have agreed in principle to waive these charges on their funds.

Switching from one of PFC's underlying funds to another is free, though investors are not expected to use this facility very often. Because the sub-funds are very general in their nature investors will probably not want to switch unless their circumstances change—when they retire, for instance.

Some offshore portfolio funds, such as Gartmore Global Strategy, have a wide range of specialised funds and the ability to switch cheaply and without incurring capital gains tax is a prime attraction. PFC, on the other hand, is aimed precisely at those investors who do not want to undertake this sort of active switching for themselves.

George Graham

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HOW OUR SELECTIONS HAVE PERFORMED

	Rec date	Rec Price (p)●	% gain as at 6.3.85
MCD Group	5/83	42	+110
Micro Focus	5/83	195	+341
Dee Corp	5/83	73½	+159
Delta	5/83	54	+139
Fisons	5/83	150	+ 97 †(22)
Waterford	6/83	20	+150 †(21)
Neil & Spencer	6/83	18½	+138 †(9)
Bridon	6/83	50	+152
Grattan	6/83	42	+248 †(17)
Tootal	6/83	36	+ 99
Vickers	7/83	104	+115
Low & Bonar	7/83	114	+ 93*
Low & Bonar	7/83	114	+186
Reed	8/83	35	+274
Bathand Portland	8/83	116	+158
Keywest Inv.	8/83	17½	+ 83*
Keywest Inv.	8/83	17½	+297
Antofagasta	9/83	66	+226
Argyll Group	9/83	120	+115
Rotaflex	10/83	64	+188
Wolstenholme	10/83	101	+180 †(16)
Ranks Hovis	10/83	67	+104
Coats Paton	11/83	73	+122
Lister	11/83	36	+119 †(4)
A E	11/83	53	+164
Rolork	11/83	66	+ 89
Laporte	11/83	205¼	+ 92 †(16)
Aero Needles	12/83	30	+183 †(2)
High Point	12/83	140	+132
Cope Allman	12/83	73	+140
Microgen	1/84	413	+147
VG Instruments	1/84	135	+ 91
Wight Collins	2/84	158	+101
Renishaw	2/84	207	+ 63
Bleasdale	3/84	25	+152
Steel Burrill	5/84	130	+ 78*
Steel Burrill	5/84	130	+188
Brikat	5/84	160	+ 88
Woods, Herbert	6/84	20	+ 75
Jaguar	8/84	165	+114 †(6)
Blue Arrow	8/84	86	+ 90
Sangers	8/84	19	+ 89
Iceland Frozen Foods	9/84	210	+108
Falcon Res.	10/84	117	+250
Consultants (C&F)	10/84	26	+ 69
United Bisc. warrants	10/84	32	+ 81
British Telecom	11/84	50	+157 †(3)
Carpets Int.	12/84	22	+ 69
Falcon Res.	1/65	262	+ 56
Bronx Eng.	1/85	11	+ 41

† – at recommended sale price ● – adjusted for rights and scrips
() – number of months between purchase and sale * – partial sale

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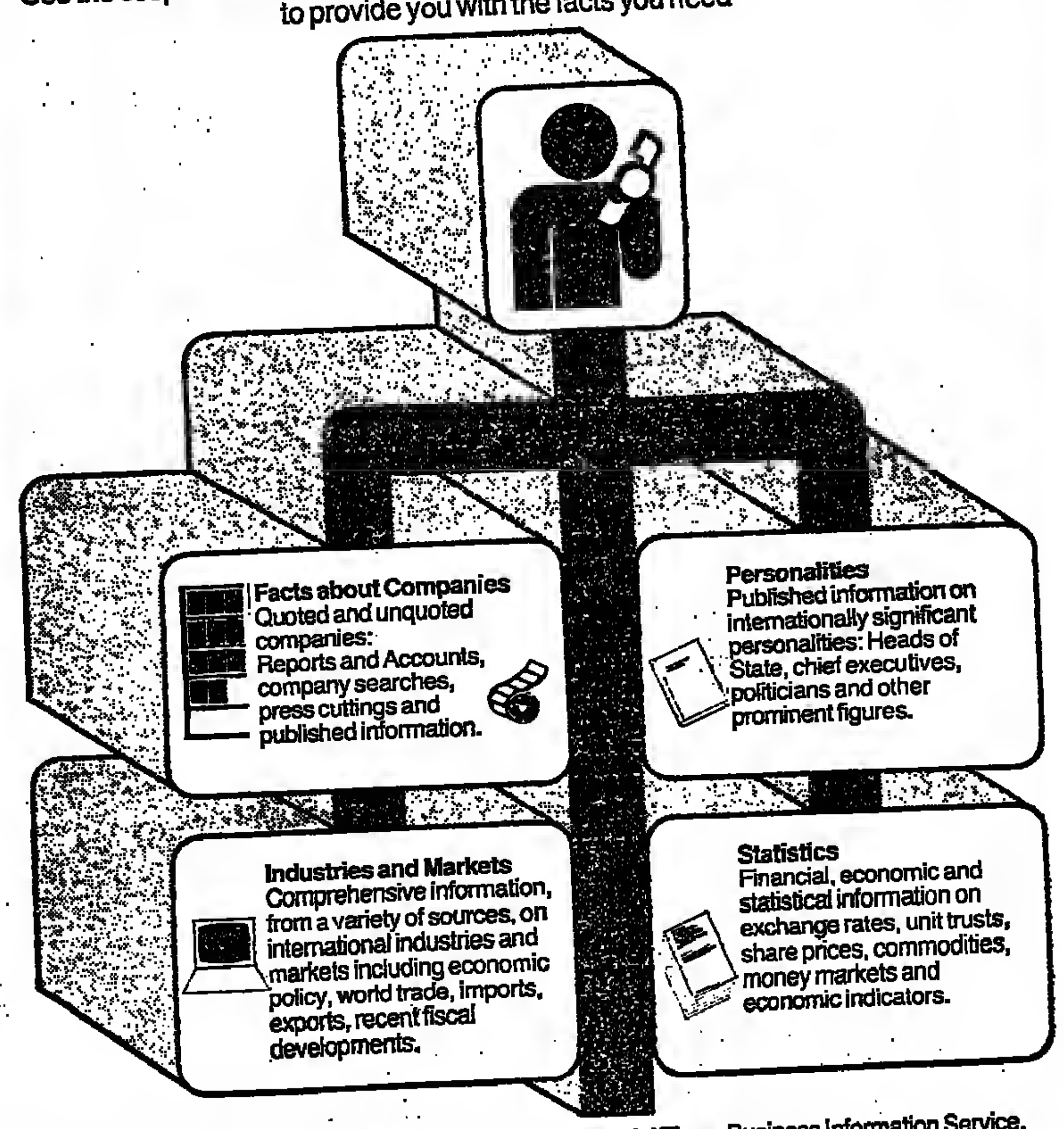

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Multinationals: Innovators in High Technology?

Hotel Vier Jahreszeiten, Munich: 24 & 25 April, 1985

The Financial Times and the Institute for Research and Information on Multinationals are arranging a second major international conference on Multinationals. This year's meeting will look specifically at the role and multinationals. This year's meeting will look specifically at the role and impact of multinationals as technological innovators on the economic structure and competitiveness of Europe.

To be chaired by Viscount Etienne Davignon, former Vice-President of the EEC and Mr Bertil Bolin, Deputy Director General of the International Labour Office, the distinguished panel of speakers will include:

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Prime Minister of Bavaria

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Professor Dr Karl Heinz Beckurts
Head of Corporate Research & Technology Division
Member of the Managing Board
Siemens AG

Mr Romeo Roncucci
Director of Research & Development, SANOFI

Dr Wisse Dekker
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Professor Gerd Junne
Professor of International Relations
University of Amsterdam

Mr Percy Barnevik
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The languages of the conference will be English, French and German and simultaneous translation will be provided.

Multinationals: Innovators in High Technology?

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YOUR SAVING AND INVESTMENTS

Double trouble with your second home

Dina Thomson explains how to sidestep Capital Gains Tax

YOU MAY double the joys of home ownership when you buy a second home but you double your financial burden as well. In fact, you can more than double it because the Capital Gains Tax (CGT) exemptions and other fiscal privileges granted to your first home will not normally be applied to your second.

However, the extension of the inflation adjustment provisions in last week's Budget increases your opportunities to cut any future CGT bill by careful planning.

If your home is regarded as your "principal private residence" by the Inland Revenue throughout your period of ownership, you will not have to pay CGT on any profit you make when you sell it. There is no limit to the amount you can receive free of CGT.

Once you own two homes—say a house in town and a cottage in the country—you have two years from the date you buy the second one in which to decide which one you are going to call your main private residence. Your choice could determine how much money you save in CGT.

It is worth noting that your main residence does not have to be the one you spend most time in. To qualify as a "principal private residence" your home has to be one you occupy at least occasionally, contains personal belongings and is not rented out. However, renting out your home will restrict, rather than remove, the CGT exemptions depending on how much of your home you let and for how long.

Your house and garden must not together occupy more than one acre of land to qualify. If they do, you will have to convince the Revenue that the land is necessary for the "reasonable enjoyment" of the house in order to be exempt from CGT on the sale of the land.

You can change your mind any time about which home you wish to regard as a main residence. Your notice must be in writing, and can be effective retrospectively two years before the date you write it.

For the purposes of CGT, the Inland Revenue is indifferent to whether you live in your home in the two years before you sell it. You must simply have deemed it as your main residence from the day you bought it until two years before you sell it.

The following example should clarify how you can use the CGT rules to your advantage if you have two homes. In April 1980 Annabel Wise bought a country cottage for £20,000. She decided to call her home in town, which she bought in 1970, her main residence.

When, on June 1 1984, she sold her main residence in town and bought another town house, she decided to switch her main residence election to her country cottage.

On June 4 1984, a few days after she had exchanged contracts on her new town house, she elected—in writing—that with effect from June 5 1982 her country cottage was her main residence. Then—two years later—on May 30 1986 she opted to change her mind again, electing that from June 1 1984 her new town house was her main residence.

When Ms Wise sold her country cottage in April 1988, her two elections saved her £1,800 in tax. On May 30 1986, when she elected to change her main residence from her cottage to her new town house, retrospective from June 1 1984, she again took advantage of a combination of CGT exemptions.

She could have decided to further the main residence qualification of her cottage by another two years, particularly if she knew she would eventually sell it. But she elected to cover her town house with the exemption as she knew that selling her cottage two years later would in any case qualify it for CGT exemption as those two years would be the last two years of ownership.

Out of a period of ownership of eight years on her country cottage, Annabel Wise effectively conjured up four years of main residence qualification.

If, however, she had decided to retain her country cottage as her main residence for another two years beyond May 1986, she would have lost the CGT exemption on her town house. When she ultimately sold that home she would have been liable to CGT. As it is, a future sale of her town house remains unaffected by her CGT exemptions on her country cottage.

If you plan to do something similar, bear in mind that timing can be important, and you should consult both valuers and tax specialists before you make your decision.

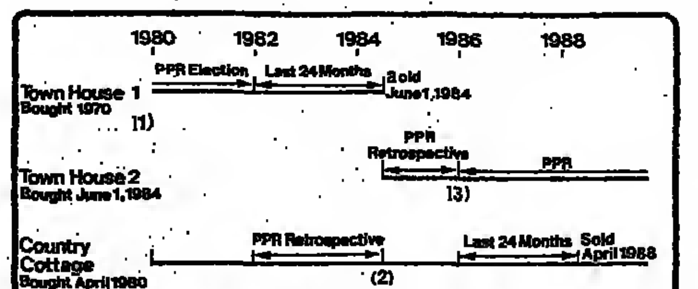
Under the CGT changes in last week's Budget, the value of your property on March 31 1982 will be used as the basis for indexation and you should have considerable flexibility in setting the value of your house at that date for tax purposes. Another Budgetary concession is that you do not have to own your home for a minimum period of 12 months before it qualifies for the indexation allowance.

Christine Robinson of Robson Rhodes chartered accountants points out that you should call the property which is likely to appreciate faster your main residence. This is particularly true if your home is in an area where property values are rising faster than the norm. The new inflation adjustment provisions could now cover any future gain on the sale of a property whose price has risen in line with the norm.

The CGT chargeable gain on your home is calculated by subtracting the original cost of the property from the proceeds of your sale and then subtracting the indexation (inflation) relief. The remaining amount is subject to CGT at 30 per cent, but only after you have used up your annual CGT exemption.

You have a general capital gains exemption for the first £5,900 of gains made in the tax year 1985-86. A husband and wife together are allowed only a £5,900 exemption.

Couples who are not married are each entitled to £5,900 in relief if they have made no other capital gains in that fiscal year. They must own the property jointly. But for unmarried couples who buy two homes, it makes sense for each to claim one home as his or her "principal private residence," thus gaining maximum relief.



1. PPR election made to cover town house 1 in April 1980.
2. PPR election made to cover cottage on 1.6.84 retrospectively back 24 months to 1.6.82.
3. PPR election switched on 30.5.86 to cover town house 2 retrospectively back 24 months to 30.5.84.

Source: Robson Rhodes

HOW YOU CAN SAVE ON CGT WITH TWO HOMES

THE CASE OF ANNABEL WISE

Annabel Wise has already used up her annual CGT exemption

April 1988:	
Sale proceeds from country cottage	£35,000
Original cost	£20,000
Indexation relief (guess)	£3,000
Gain chargeable to CGT	£12,000
After her elections chargeable gains reduced as follows:	
period not occupied as principal private residence (four years) / total ownership period (eight years)	x £12,000
Chargeable to CGT	£6,000
Saving (£12,000 − £6,000) x 30 per cent	£1,800

Clive Wolman on avoiding the Revenue

Budget creates new tax loopholes

IF YOU'RE sitting on large capital gains inherited from the 1970s and feeling disappointed that the Chancellor did so little in last week's Budget to reduce your likely tax bill when you sell out, don't despair.

The Chancellor may have cracked down on one form of tax avoidance in the market for Government gilt-edged securities when he announced a series of measures to stop bond-washing last month. But the Budget has opened up new possibilities for avoiding tax through the judicious buying and selling of gilts.

One beneficial effect you should notice without having to take any action is the receipt of higher returns when you cash in your with-profits or unit-linked life assurance policies. There will be less need for the life company to deduct from your profits a charge to provide for future CGT liabilities, which typically amounts to between 10 and 15 per cent of the nominal gains, although a few charge up to 25 per cent. Now, the companies should be able to cut their CGT charges substantially.

If your investment is in a unit-linked policy, the reduction in the CGT charge should be reflected in a higher exit and entry price for investors. So before investing or withdrawing your investment from a bond fund, it might be worth checking whether any adjustment has yet been made. But most companies are expecting an increase of only 1-2 per cent.

As far as other investments are concerned—in shares, unit trusts, gilts, a second home and real estate, or more esoteric assets such as paintings—you will have to devote more time to making the best use of post-Budget rules.

You need consider action only if you have a potential CGT problem. This will arise if, in the forthcoming tax year 1985-86 (or in a later tax year), you want to sell off assets which will realise capital gains (after inflation adjustment) well in excess of your £5,900 annual exemption from CGT.

The first piece of tax-planning advice is to reconsider where you are saving the money with which you wish to take no risks. You may have put it in a building society or high-interest bank account, National Savings certificates or gilts.

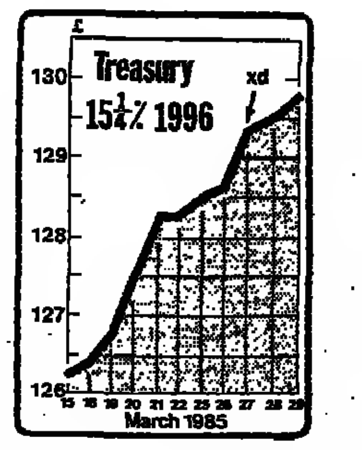
Between all these savings media, the new CGT regime gives a major boost to the attractions of gilts bearing high coupons, provided you sell them or have them redeemed after less than 12 months. This is because you can rarely expect to make even a nominal capital gain on high-coupon gilts unless there is a sharp fall in interest rates.

Thus, if you sell your gilts for the same price as you paid for them, you will realise a real capital loss, after adjustment has been made for inflation. This loss can be used to offset other real capital gains.

The graph shows how a high-coupon stocks have gained in price and popularity since the Budget, as a result of this change.

The only drawback is that you have to pay income tax on the high dividends you receive — and also, when the bond-washing provisions take full effect next February, on your accrued interest (unless the nominal value of your holdings is less than £5,000). But if your income tax rate is the same as the CGT rate of 30 per cent, then part of your income tax bill is offset by the reduction you achieve in your CGT liability through generating capital losses. In effect, you are avoiding a tax liability on that part of your interest which merely compensates for inflation.

If, however, your tax rate is 40 per cent or above, and certainly if it is above 50 per cent, what you gain with your new-found capital losses will be too small to compensate for the extra income tax you have to pay on the interest. You should stick to National Savings certificates or low-coupon gilts on which most of your returns will come in the form of capital gains.



But if you decide to make use of high coupon gilts, make sure you sell them within a year. Thereafter neither the gains nor the losses on gilt holdings are subject to CGT.

The other tactic, suitable only for investors with large portfolios, is to exploit the concession that grants you a full month's indexation allowance for CGT even if you have held the asset for just a few hours over one night, provided that night comes at the end of the month. The manoeuvre is worth pursuing only at the end of a month in which you have seen prices marked up sharply.

For example, suppose that next month, due to the rise in mortgage rates, the Retail Price Index goes up by 1.5 per cent. On the afternoon of April 30, you buy £30,000 of gilts and sell them back the next morning, May 1. You will then be granted an indexation allowance of 1.5 per cent on your holdings, thus creating a real capital loss for CGT purposes of £450.

Stamp duties join the twentieth century

George Graham explains the Chancellor's simplified procedures

MANY of the stamp duties abolished in last week's Budget will scarcely be missed—50p here and 25p there, more of a nuisance than a tax burden.

The stamp duty on gifts was charged not as a fixed fee but at a rate of 1 per cent of the value of whatever was given. So the tax saving from the abolition of the duty will be noticeable on large gifts.

Some forms of stamp duty date back to 1694 and they have been showing their age. Technically, they are charged on documents, not on the transaction itself, so an oral contract was never liable to stamp duty.

In practice, you might have had to pay the duty if you gave away property where your right or ownership was proved by a document—a house or shares, for instance, but not cash or a painting.

One of the most frequent occasions for stamp duty to arise was on transfers of property between husband and wife. These transfers are frequently made for the purpose of avoiding Capital Transfer Tax.

But if a husband passed £100,000 worth of shares to his wife, or vice versa, stamp duty of £1,000 would have had to be paid. A small cost in comparison to the potential CTT savings but one that no longer has to be met thanks to the Chancellor's decision to eliminate many stamp duties.

Similar savings will be made on deeds of family arrangement, which vary the provisions of a will by redistributing the property among its beneficiaries. These deeds were generally liable to 1 per cent stamp duty, either as gifts or as sales. They will now need only a 50p stamp.

The same will apply to transfers of property on the break-up of a marriage. These were sometimes liable to 1 per cent stamp duty as sales, but will bear only a 50p duty.

You will hardly save a fortune because of these changes, but the gains in speed and convenience may in some cases be considerable. Housebuyers, in particular, stand to benefit from the Chancellor's moves.

If you are buying a house for under £30,000 (so no stamp duty is payable), conveyancing documents will no longer have to pass through the Stamp Office. Instead, they can go straight to the Land Registry.

This change, likely to be put into effect next January, will bring England and Wales into line with Scotland, which already has this simplified procedure. But the Northern Ireland procedures will not change.

PROPERTY

£3m for a country estate

BY JUNE FIELD

Eddington House in the 919-acre residential, agricultural and sporting estate in Berkshire, for sale next month for more than £3m through Paul Hutchings, Hampton & Sons, 6 Arlington Street, London, SW1 (01-499 8222)

WE ARE fortunate that so many of our smaller country houses and period town dwellings have remained habitable over the centuries. Imaginative modernisation and improvement confirm Henry James' observation that of all the great things that the English have invented, "the most perfect, the most characteristic . . . is the well-appointed, well-administered, well-filled country house."

Eddington House in Berkshire, Georgian with Victorian additions, is a sizeable but unpretentious home which has grown gracefully over the years.

Air Marshall Viscount Portal of Hungerford (1893-1971) lived there until he was 26, his father buying it for £7,000 in 1892.

"Comfortable and commodious, but far from being luxurious," was how the biographer, Denis Richards, referred to the place in Portal of Hungerford, observing that the box-room with its mobile tin baths was converted to a proper bathroom only in 1905.

Now, the seven-bedroom, two-storey house has a swimming pool and four bathrooms. The present occupier, Lady Fermoy, told me that when the family bought it about 16 years ago they brightened up the dark oak panelling in the hall and staircase by having it drag-painted apricot over white, and bleaching the heavy doors down to the natural wood. In the gracious main sitting-room, the pine-panelled walls enclose a "secret" door to the study.

After tea and cucumber sandwiches around a blazing log fire, we made for the fields to inspect the three Peruvian llamas (from the Wildlife Trust) and the Eddington Bindery; this is Lavinia Fermoy's own personal project, where she binds everything from her own specially designed game-record boks to a Kelmscott Chaucer.

With the death of Lord Fermoy last summer, the 919-acre estate with its farmhouse and cottages, acclaimed as a model of good management combining agricultural requirements with the need for conservation, is being marketed next month by Hampton and Sons for in excess of £3m. Partner Paul Hutchings calls it "a very desirable property in a particularly pleasing location."

A buyer will have distinguished neighbours, too. Just down the road is Littlecote, the historic 16th-century house where Henry VIII courted Jane Seymour — now owned by Sir Seton Wills — and Lord Howard de Walden's Avington Manor, Hungerford.

Land in this attractive Berkshire/Wiltshire plain is primarily agricultural or parkland, with little or no development potential at present. But less than an hour's drive away in the county of Avon, towards Bath, the situation changes.

Building land fetches good prices and, with the abolition of Development Land Tax in the Budget, more is expected to become available. Auctioneer John Cowley of Crisp Cowley, Bath, reports a record figure for a three-acre site between the Avon and Kennet Canal near Bath which sold recently at £550,000, virtually £191,500 an acre. There is permission for ten detached houses an acre, plus a school.

Crisp Cowley is part of a recently formed consortium of independent estate agents, the Avon Team — 11 agents spread around Bath, Bristol and Weston-super-Mare, with 54 offices covering a population of well over 1m.

Cowley, the chairman claims that within 24 hours of a property being listed with an Avon agent it will be on the books of all the offices, which have some 15,000 applicants registered overall. Group sales for the first year, excluding new homes, were in the region of 10,000, worth around £350-£400m.

Together with Cluttons' Bath office, Crisp Cowley is selling the impressive conversion into spacious apartments of 19 and 20 Great Pulteney Street, overlooking Henrietta Park, Bath.

The two handsome Georgian houses in this 1,100 foot-long, 100 foot-wide street, built in 1788-92, still reflect the observation made then, that there is a "sort of importance and air of quality which every visitor must feel." (Mrs Fitzherbert, morganatic wife of George IV, lived at number 27; and Napoleon, son of Louis Bonaparte, later to become Napoleon III of France, at number 55).

The development company is Long's of Bath, a craftsman-orientated firm started in 1864 by Jacob Long and its architect David Brain, is carrying out sensitive rehabilitation. Rotten stair rails have been replaced by those in keeping with the originals and 18-inch thick stone walls have been cut into to provide more light, with ceiling roses and cornices re-created faithfully by Keith Moyle.

In one of the lavishly equipped kitchens, a porthole window has been fitted in the inner wall to take advantage of the view across the park through the main windows. The ambiance of country-house living has been combined effectively with the convenience of a city apartment. So, if you are trading down from a large house, there is plenty of room for your big furniture.

And for what is a most dramatic lower-floor flat, solid banks of stone have been dug out to provide a courtyard which, with plants and ornaments, has a true Mediterranean flavour. It has already been snapped up at £140,000 or so by an American, who is shipping his main furniture from Arizona and has asked Long's interior decorator, Julie Kent, to find him a large refectory table to go in the vast hall, and bookcases for a gallery-study.

The apartments, complete with marble fireplaces, chandeliers, stereo speaker-wiring, carpets and so on, are top of the market at from around £95,000 to £175,000-plus for grand maisonettes that are as large as town houses. They have roof-terraces, but be warned: you need to be reasonably active to cope with the multitude of stairs.

GARDENING

The undervalued cyclamen

BY ARTHUR HELLYER

SOME 20 YEARS ago, I planted half a dozen tubers of the ivy leaved cyclamen in a semi-shady part of my garden. This is a perfectly hardy plant that grows wild in Italy and the tubers established themselves without difficulty, though they made no great progress for a few years. Then, the rate of increase began to accelerate and these last few years has been so great that I have completely lost count of the plants, which now provide delightful ground cover over a considerable area.

The spread has been almost entirely by self-sown seed which has been carried considerable distances, by what agencies I am by no means certain. From time to time I have moved seedlings to prevent them becoming grossly overcrowded but, in the main, it has been a natural spread in which I have played little part.

The leaves of this plant, which has been known botanically both as Cyclamen hederifolium and C. neapolitanum, are variously shaped and coloured, always in several shades of green but marbled and zoned in different ways, roughly ivy shaped but differing in size, breadth and degree of lobing and always handsome. The flowers are small but numerous carried well above the leave, on slender stems and either pink or white. They come in the autumn with the foliage, which then keeps going until late spring, when it dies down and does not reappear until September: I grow it with Arum italicum, an Italian cuckoo pint, also with marbled leaves that stay all winter and disappear in summer; and this, too, after a fairly slow start, is now spreading prodigiously by self-sown seedlings.

You would think that plants so useful, beautiful and easy to grow would be in every garden but that is by no means so. The arum has probably remained scarce because it does not fit in with the normal pattern of nursery sales; but I think the reason for the neglect of Cyclamen hederifolium and other good hardy kinds such as C. coum and C. repandum, both of which I grow—though not quite so successfuly as C. hederifolium—is rather different.

Many nurserymen try to treat hardy cyclamens as tubers, selling them dry in August or September, but they do not take kindly to this. Though the tubers eventually get very big and though, whatever their size, they become completely dormant in summer, they do not like to be dried out completely.

So there are nearly always heavy losses when dry tubers are obtained: even if they are first plumped-up in seed trays filled with moist peat or leaf mould, which is the best way to handle them. As a result, buyers are disappointed and many do not make a second attempt.

The only satisfactory ways to start are with seed, which means waiting a year or so for flower; or by obtaining growing tubers, preferably in small pots, which

probably means going to a rock plant nursery for them though there are cyclamen specialists. Several seed firms offer seed of hardy kinds and there is a Cyclamen Society, with headquarters at Tile Barn House, Standen Green, Kent, which distributes seed saved by its members.

A few weeks ago I received a letter from Mr Ronald Dunning, a member of this society, asking me to discourage readers from collecting cylamen tubers in the wild because of the unlikelihood that they would survive and the danger of depleting wild colonies. He told me that large numbers of tubers have been dug up in the past in Turkey for export to Britain, but that the Turkish Government now has banned the export of five species including Cyclamen repandum. The EEC also has moved to restrict the sale of C. graecum, ibericum, creticum and balearicum collected in the wild. I am delighted to hear this.

Mr Dunning also makes some useful observations about the cultivation of hardy cyclamen from seed. Ripening occurs in early summer and, as this time approaches, the stems of most species coil up like watch springs, so drawing the seed pods down on top of the tubers. When the pods commence to split open the seeds should be harvested, and it is best to sow them straight away when they will usually germinate that same autumn. Seed obtained from elsewhere, which arrives dry, may need to be soaked for 24 hours before being sown, and even then may be slow in germinating.

A soil and peat mixture is better than an all-peat seed compost and pans are better than seed trays, since it is desirable to leave the little plants undisturbed for the first 12 months and that means a fair amount of food will be required. For the same reason, it is best to space the seeds singly about an inch apart, and they need to be buried about half an inch deep.

For the first winter the pans are best kept in a frame or greenhouse, though little or no heat will be required; but the seedlings should be well acclimatised before they are planted-out the following year. The most forward plants should be flowering in their third season and the rest will follow the next year. After that, the plants are likely to live, without need for transplanting, for 40 years or more.

London Properties

Overseas

Aficionado's choice: The Rasa Sayang hotel at Batu Ferringhi

Penang—island with the mad-dog ethos

By ARTHUR SANDLES

IT WAS a hot day. A very hot day. The shops of the town had eased their morning pace and a sleepy mood had come over things. There had been rain, adding to the sultry stickiness. It was hardly surprising, therefore, that I, mad dog that I am, was alone in wandering among the ruined fortifications.

And this was very much mad dog country. Penang may be a holiday island today, but 'twas not always so.

For as long as records go back, there have been turbulent regions. The land full of conflict and political intrigue. The sea populated with pirates and rated among the most dangerous in the known world. Penang for centuries was a thickly-forested land with a few hundred fishermen as the sole human inhabitants of its 400 square miles.

Their lives were given an abrupt change with the arrival of the British in the form of Francis Light, who had the notion that Penang would make an excellent bastion of the Empire to combat the Dutch, who were so dominant in that region. My noon-day perambulations were among the walls of a fort started by Light at the end of the 18th century—and not started easily.

The labourers brought along to clear the site for the original wooden Fort Cornwallis did not make very rapid progress through the jungle covering the place. Light hit upon the simple, if pricey, ploy of firing a canon loaded with coins into the vegetation. The workforce set-to with vigour. This method of motivation, although effective, was not repeated. When the fort was rebuilt with stone a few years later, convicts were employed.

I rather like Fort Cornwallis. Today, it is an insignificant sort of place of stout, sooty grey walls, lots of greenery, and a small play area for children. Like so many other forts around the world, it is now a little further from the sea than once it was. A road rings its outer battlements and much of its view over the scene it once dominated is obscured by trees and the unexciting buildings of the port area. Nearby, there is a small grouping of oriental fast-food establishments which offered passable satay and the inevitable Coca-Cola.

Not many sweaty footsteps away is the Penang museum. If your taste is for well-displayed, elegantly-chosen objects in a South Bank setting, go somewhere else. The Penang museum is one of those places the visitor has to work at to enjoy. It is tiny, shadowy, and often alive with little local children behaving just as little children do in museums the world over. But be patient and pause at the old yellowing photographs. The rickshaw that used to be the main form of transport in the capital, George Town, and the splendid old motor cars.

You have to hunt around in Penang for these eccentric little remembrances and, to be honest, you have to be a little odd to do so. There are much more spectacular reasons to be there. The botanical gardens are magnificent, bearing colourful witness to Penang's reputation for having an abundant supply of fresh water.

This tumbles down waterfalls, trickles through streams and, at one point, settles into the wide expanse of the lake above Ayer Itam dam. In the gardens, monkeys abound and are reputed to be a considerable nuisance at times. Perhaps they spotted my note book and tape recorder for, on my visit, they were all struck by an unusual reticence.

At another of the island's prime attractions, the reticence phobia about snakes. I confess to finding them a little worrisome — like mushrooms, you never quite know whether these are the ones that bite. The Snake Temple, more properly known as the Temple of Azure Cloud, is alive with the things (all of them, you are constantly assured, quite unable to inflict mortal injury. You can even have a picture taken with a few draped around you just to show how brave you are).

Less daunting is the Tunku Abdul Rahman aquarium laboratories where the mighty jaws of the deep are at least behind glass.

Most of Penang's delights, however, come simply from wandering around the place. It is a cosmopolitan island of Malay, Chinese and Indian cultures, although George Town itself has very much a Chinese feel about it. It is an excellently restful first glimse of the Orient—if you want your first taste to be more hustling, try Hong Kong.

Most tour operators offer Penang as the relaxing element of a general Far East tour. It is worth getting several brochures, therefore, in order to pick out the trip that suits you best. The better hotels are on Batu Ferringhi beach. Aficiandos of the island assure me that the Rasa Sayang is the best of them, but I have not personally stayed there. A basic couple of weeks on the island would cost you around £800, but this figure is probably irrelevant since Penang would be part of a general trip.

If you are seeking just sunshine and a beach, there are places much nearer home that offer them. In the case of a two- or three-centre holiday including say, Bangkok and Singapore, you should think in terms of £1,000. For a couple of hundred more you can bring in other destinations, like Hong Kong and Bali, and even stay longer.

There is no particular good or bad time of the year in this region. Penang is just north of the equator and is usually warm and humid. The heaviest rains will be in September-December but the showers are brief, if drenching.

It is worth looking at the brochures of Albany Travel, Asian Affairs Holidays, Bales, Jetset and P and O Air Holidays, which should be at your travel agent.

Volvo promotes reliability plus all the frills

By STUART MARSHALL

VOLVO HAS introduced a new flagship to its right-hand-drive fleet. It is the 760 Turbo Automatic with every possible "extra" thrown in at a hefty £17,120. The prestigious Bertone-designed two-door version of the 760, unveiled at Geneva earlier this month, is for left-hand-drive markets only.

The turbocharged 2.4-litre four-cylinder runs with smoothness and urbanity approaching that of a good in-line six-cylinder. The four-speed automatic locks-up mechanically in top at over 54 mph, eliminating fuel-wasting slippage in the torque convertor. A light-footed driver will be rewarded with nearly 30 mpg on a run; a leaden-footed one with a maximum speed of 124 mph and 0-60 mph acceleration in 8.5 seconds. That would keep the Volvo ahead of a 4.2-litre Jaguar.

Automatic air conditioning maintains a selected temperature; the ABS brakes make a peculiar noise when functioning but allow a panic stop to be made safely on a slippery, curving road. Sunroof, windows and door mirrors are operated electrically; the mirrors and both front seats are heated electrically, too.

I found the Volvo a civilised and lively car with light, precise controls, easy to park, and enjoyable for passengers as well as driver. The boot is big, if shaped oddly, and the ride is firm enough to please German tastes.

Opel has breathed new life into its elderly 2.3-litre diesel engine with the Comprex system of supercharging, and made it smooth and powerful enough to instal in the big Senator saloon. Unlike a turbo-charger, which is spun by waste exhaust gases, Comprex is driven directly by the engine. But it also uses exhaust gases to help push fresh air into the combustion chambers. It's all very complicated, though the results are easily appreciated.

Because the Comprex compressor is belt-driven at 3.7 times engine speed, it starts blowing in air at little more than tick-over. At least 90 per cent of maximum torque (pulling power) is on tap from as little as 1,400 rpm. The Comprex Senator goes from 0-62 mph in 15 seconds. Much more important, I found I could drive it around Geneva's suburbs mainly in fourth and fifth gears and that I hardly needed to come out of top at all on the open road.

Opel's claimed 38 mpg average for an equal mix of town, suburban and inter-city driving is believable. The top speed is 107 mph. Except for a muttering idle, the Comprex Senator sounds more like a petrol car than a diesel.

It won't be coming to Britain, though Comprex supercharging is likely to be seen on future General Motors products, especially diesels. It is just one of the advances that will confound those who say the diesel car has no long-term future, now that petrol engines have become so efficient. Direct injection, controlled electronically, plus Comprex will maintain a diesel's competitive edge.

As the Budget reminded us, motor fuel continues to go up in price, and a temporary oil glut is no reason to forget that oil is a finite resource. Don't we have a duty to ensure that maximum use is made of every ton that is pumped out of the ground?

Ford goes upmarket

FORD'S NEW Granada, called Scorpio on mainland Europe, is strongly and predictably German in character because it is aimed squarely at the user who now buys Mercedes, BMW or Audi. Out of the three it is the Mercedes driver that Ford has particularly in its sights. Like the old Granada, the new one is made in Germany and will be brought into Britain fully assembled.

In pouring rain and strong winds I tried two of the new models in Germany this week; a 2.8 litre V6 and a 2-litre four-cylinder, both luxury Ghia versions with five-speed gearboxes, fuel injection and power steering.

Their ride quality was outstanding. The suspension felt as firm as the first Granada's was spongy but it treated rough roads with contempt. The seats are well shaped and supportive, the driving position excellent and rear passengers have massive legroom. The interiors, with dark trim and a lot of black mouldings, are rather sombre, but few cars provide a better driving environment.

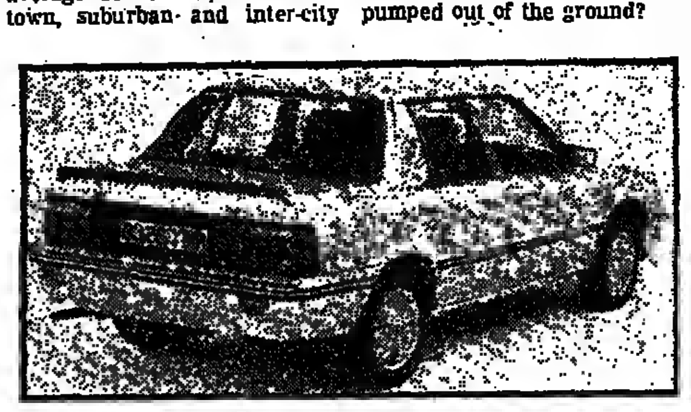
Most of my driving in the 2.8 litre V6 was on normal roads, on which it handled as well as any of is rivals, with the standard anti-lock brakes taking all the potential drama out of an emergency stop in slippery

Less impressive was its sensitivity at moderate speeds to blustery side winds though later on the autobahn, the 2-litre Granada was rock steady at 200 km/h (124 mph) indicated.

Granada is a quiet car. The V6's odd beat disappears as speed rises—the in-line 2-litre is at heart a more refined engine—and very little tyre rumble or thump reaches the interior on roughly textured roads. But the V-rated high-speed Uniroyals fitted to the 2.8-litre car sang like sirens on smooth wet tarmac. The H-rated tyres, also Uniroyals, on the 2-litre did not offend. Both gave sharp steering response and ample grip.

One does not learn much about a new range of cars by driving and riding in only two of them for less than 150 miles but I would reckon on any Granada being enjoyable for a long fast journey. On paper, the 2-litre car's performance figures are not as good as the V6's but in real life, I thought it the better car. The gearshift is silken in the four lower ratios but there is an awkward dog's leg when going into fifth. Many British buyers will have the automatic, which I was not able to try. Nor can I say how Ford's new 1.8-litre lean-burn engine performs, or if its claim that optional-extra power steering on the four-cylinder car is not really necessary stands up.

Prices will be announced shortly before the new cars arrive here in mid-May. I am sure Ford's confidence that Granada will put new life into the declining big-car market is justified. Equally, I do not see many buyers choosing it for its good looks. It is a practical shape, with good aerodynamics, but lacks the visual integration of a new Mercedes 124, an Audi 100 or even the Citroen CX.



Rover's 216 Vitesse

I HAVE also been trying two of the new 1.6-litre BL-engined Rover saloons that are based on the Honda Ballade. The 216 SE had the "S" Series engine, with a single carburetter producing 85 horsepower; the Vitesse a similar engine but with fuel injection and a 103 bhp output.

The Vitesse, with a close-ratio version of the Honda five-speed gearbox, is aimed at the keen, performance-minded driver, whereas the 16 SE is more likely to appeal to the motorist who traditionally buys Rover for comfort, silence and smoothness. Its five-speed gearbox has much wider ratios. In top, the Vitesse is showing 4,000 rpm at 80 mph, but the 216 SE's engine is turning over at a leisurely 3,100 rpm at the same speed.

When the small Rover first appeared, the suspension was not right. It felt as though the front and rear ends belonged to different cars. BL's Austin-Rover Group really has sorted out the problem. The ride is firmer, but still very comfortable, and I was most impressed by both cars' stability when driven briskly down a winding and potholed lane. They were as happy on a wet motorway as they were being pushed up slippery hills. Vitesse has a top speed of 112 mph, which is 10 mph faster than the SE, and is quicker off the mark, but I preferred the SE's sheer relaxation on the motorway. The Vitesse began to sound busy at the kind of speed many business motorists use on long journeys.

There are five 1.6 versions of the new small Rover, including two Vanden Plas fuel-injected models, one with a wide ratio five-speed gearbox, the other with a four-speed automatic. Prices are from £6,490 to £7,899 for the manual cars, £8,370 for the VPI automatic. They are nicely finished and should give rivals like the VW Jetta and Ford Orion Ghia a run for their money.

American laureate

BY GEOFFREY MOORE

Frost: A Literary Life Reconsidered
by William H. Pritchard. Oxford, £14.95. 286 pages

Who is Robert, what was he, that all his *biographers* condemn him? Even his Boswell, Lawrance Thompson, *was* forced to admit Frost's cantankerousness, his selfish egotism, his unscrupulous manipulation. The merit of William H. Pritchard's book is that he sees all this and lets it make not the slightest difference. He does not try to excuse the inexcusable with mumbling about the traumatic effect of having a dissipated father and a religious mother, but presents the life and the art as a package.

Excuses aside, however, one probably does not have to look far to see where Frost got his rather creepy combination of sexual drive and prudish sentiment from. The father, William K. Frost, was the womanising, hard-drinking city editor of the San Francisco Post, who died when Robert was 11. Upright Isabelle Moodie Frost, of Scottish Presbyterian stock, took the family back to Lawrence, Massachusetts. The brightest boy at High School, "Rob" pursued the brightest girl, Elinor White. After a hitch "caused by Rob's importunate love-making" (see "The Subverted Flower," which describes the incident) Frost *netted his butterfly* and, so far as is known, remained faithful until her death. The price of this, however, was child after child, some of whom died at birth and some of whom died of disease. The survivors did not lead very happy lives; one, at least, committed suicide.

The early years of the century were ones of struggle and poverty for the Frost family. Robert's jobs did not prosper and his poems did not sell. After 12 years of this, having come into an annuity, he made a sudden decision to go to England. He could not have chosen a better moment. Ezra was already there—and Tom. London was ripe for colourful refugees from what Pound in *Mauberley* was later to call that "half savage" country. When he sailed back to America in 1915, at the age of 41, Frost's reputation was made. He was the famous author of "Birches," "Mending Wall," "Home Burial" and "The Death of the Hired Man" — poems his audiences would ask him to read over and over again in the next 40 years. He hated this, and would try to foist on them his latest efforts which, as his most sympathetic critic, Randall Jarrell, reluctantly admitted

"*remind you*, by *their* persistence in the mannerisms of what was genius, that they are the productions of someone who once, and somewhere else, was a great poet."

When, after more than 40 years' absence, he returned to England in 1957, both Oxford and Cambridge awarded him honorary degrees. Frost had made quite sure of that. He had got his old friend Sherman Adams, Dwight D. Eisenhower's assistant, to ask Secretary of State Dulles to write to Harold Macmillan putting his name forward as "a distinguished representative of the American cultural scene." Which indeed he was; no problem. The Kennedy years followed and, with them, the invitation to participate in the inaugural ceremony—a reward for *Frost's* much-publicised prediction that the young Senator from Boston would be the next President of the United States.

Frost was a cunning old fox, but he was *also a very good* poet—qualities which are by no *means* mutually *exclusive*. In the *Oxford Book of American Verse*, F. O. Matthiessen said that when the history of American poetry in our time came to be written "its central figures would probably be Eliot and Frost." Not Eliot and Pound, not *Eliot* and Stevens. Frost's seemingly *simple*, laconic *persona* conceals, as Lionel Trilling announced at a famous banquet, "a terrifying vision of life." Indeed, as D. H. Lawrence said of the "classic" American writers, Frost *is* one *of* the new breed who have "sloughed off the old European consciousness" to represent "the terrible *actualities of life*."

Robert Frost: "a cunning old fox." A new biography of the poet is reviewed to day

After Franco

BY ROBERT GRAHAM

The Transformation of Spain from Franco to the constitutional monarchy
by David Gilmour. Quartet, £12.95. 320 pages

A Spanish gossip magazine recently ran a series of photographs of Franco on *his* deathbed as part of a readership battle with a rival *publication*. Rather than increase circulation, the sight of this pathetic figure on the edge of death provoked protests. Yet those who objected to the photographs did so less because they felt Franco had been slighted and more out of a sense that the man *should* be left to rest in peace. Spain has moved beyond Franco.

This year will be the tenth anniversary of Franco's *death* and the accession of King Juan Carlos. It is a measure of the remarkable changes in Spain during this decade that the *late* dictator should seem so distant a memory and that the King should appear such a permanent fixture.

The timescale and the psychological distance now make it much easier to evaluate the Franco era, its legacy and the transition to democracy. In Spain itself there is an ever increasing number of books covering these three themes but nearly all on a partial or selective basis. For *instance* no "official" biography of Franco has been produced; ministers have written too little and in too self-seeking a manner about the period; local journalists have produced a *mixture of* instant *history*, one sided investigation and *comment*; while academics have been handicapped either by the reluctance of the main participants to *talk* or by *the difficulties* of access to military archives. The present *Socialist* Government of Felipe Gonzalez has done much to encourage a better historiographical approach to the recent past; but the fruits of this will take time to be felt.

Meanwhile it is often left to outsiders to attempt the broad brush or detailed analysis. David Gilmour, who has written previously two books on the Middle East, has provided a workmanlike account of the path towards democracy and its rapid consolidation. Almost half the book is taken up with the 40 years of Franco's rule and the gradual economic, social and political liberalisation of the régime. Undoubtedly there is an enormous amount of background to explain, but Gilmour certainly overloads the Franco era if his main object is to highlight not just the metamorphosis *from* dictatorship to democracy, but the early years of the latter up to 1982.

Gilmour makes a point of stressing Franco's lack of ideology and his essential pragmatism. From the *mid-'50s* Franco was not the Fascist monster the Republicans and their international friends on the Left preferred to see. This more *tolerant* (dare one say sympathetic) view of Franco is gaining ground, partly because the transition process has gone so unbelievably well. But also it helps explain how Spain managed to evolve despite the *appearances* of authoritarian rule — evolve to the extent that public *opinion* in 1975 clearly favoured "apertura" (a political opening up) to "ruptura" (a clean break with the past). The Francoist system was gradually dismantled and allowed to wither away; and the key figure in this process was Adolfo Suarez, who came *from* the very heart of the former system. The success of the Spanish transition lay in the spirit of compromise, and the moderating force of the restored monarchy. Conversely, the *process* has been threatened only when certain groups have refused to compromise — the military and the militant Basque separatists, ETA.

Gilmour has a deceptive air of thoroughness which conceals important omissions. There is *surprisingly* little to explain why the Socialist Party could and did come to power. Felipe Gonzalez scarcely gets a mention yet he too was a key figure in the early years of *transition*. The role of the trades unions is skipped over, while the economic backdrop after Franco's death (oil crisis, recession, liberalisation and the prospect of EEC entry) is virtually *ignored*.

He also makes a number of *dubious sweeping* assertions. As a sample, he says Manuel Fraga, the former Franco Information Minister, made a *mistake* forming Alianza Popular to fight the 1977 *elections—he had no* option as no *party* could tolerate his abrasive *character* and his curriculum was a liability; he *claims* Suarez *should* have informed the armed forces in advance about the *legislation* of the Communist Party in 1977 —the military were *not* upset they had not been told, but were furious the "Reds" had been legalised; nothing would have assuaged them; *he says* the "democratic system virtually ceased to function" in the aftermath of the abortive coup of February 1981—*well it* is working again now and Gilmour *himself* discounts the military threat.

Trouble at mill

BY MARTIN SEYMOUR-SMITH

The March of the Musicians
by Per Olov Enquist. Translated from the Swedish by Joan Tate. Collins, £8.95. 256 pages

The Anderson Question
by Bel Mooney. Hamish Hamilton, *£7.95. 185 pages*

Accommodation Offered
by Anna Livia. Women's Press. *£7.95. 152 pages*

The Life of the Party
by Maureen Freeley. Cape, £9.95. *416 pages*

The Taking of Agnès
by Jennifer Potter. Cape, £8.95. 208 pages

Novelists who are more concerned with the processes of how fiction is created than with telling a story (a dreadful crime; but a necessary one because everything is a story) are still fashionable but have become a bore. Per Olov Enquist, a Swede born in 1934 and best known for his play *The Night of the Tribades*, is an exception. He is the very best kind of "documentary novelist," as his previous books about Anton Mesmer and Rudolph Hess have amply demonstrated. There are five other novels.

Enquist's concern is with the real and the illusory, and with the extent to which the individual's subjective interpretation of reality puts progress towards "socialism with a human face" at risk. These are not original concerns; but Enquist's illumination of them is imaginative and exemplary.

Enquist *comes* from Vasterbotten, and this novel of 1978 (the title in Swedish means "The Departure of the Musicians") is an historical novel about events in his native district in the period 1903-11. Conditions in the timber mills were then appalling, and a socialist agitator called Johan Sanfrid Emblad came to preach trade unionism to the unreceptive workers, who were inclined to feel that their lot was ordained by God. *The March of the Musicians* is an accurate and vivid story which, if we had not been told that it was a "documentary," we should hail as a major work of the imagination. Enquist manages *to say everything* that more self-consciously "*experimental*" *novelists say*, but he also holds our attention and *concentrates* our *minds* upon his subject matter, about which he is consistently unbiased and intelligent. His humanity *always overrides* all theoretical concerns.

Bel Mooney's second novel *The Anderson Question* is an *efficient*, conscientiously written account of the ordeal of a woman whose husband, a respected country doctor, disappears. *She discovers*, in the uneasy company of her son (the relationship is well brought out), that all that she had assumed and lived by has been false. The almost Hardyesque ending is perhaps the best thing about this book, which deserves respect for its intelligence and its frequent subtlety. The style is at times a little banal: the author is better at being laconic than at being poetical. But the psychology is never ingratiating, and the novel is always interesting.

Anna Livia describes herself as "lesbian, formerly socialist, now radical feminist." She does not write "well" in any accepted sense, but then she does not mean to. This hectic account of a woman who, on the breakdown of a love affair, takes in two lodgers, has great appeal because it is straightforward and honest and unpretentious. I cannot imagine anyone not enjoying it.

Maureen Freely is an American whose first novel, *Mother's Helper*, was highly praised. Her second, *The Life of the Party*, is a knowledgeable account of a group of expatriates in Turkey in 1969 (and in 1982 when the military took over). It is a picaresque tale whose chief character is Hector Cabot, whose life is devoted to doing outrageous things when drunk and then trying to atone for *them*. There are other somewhat conventionally heinous people in a cast not quite as astonishing as the author intended: *the* high *jinks* tend to pall at this point in *time*. But where Maureen Freely is good is in her own *implied questioning of this kind* of behaviour, and in her examination of the American tendency to do everything too *immediately* for *what* is *only* imagined to be the best.

But of these novels in English by far the most know*ing* and well *accomplished* is Jennifer Potter's *The Taking of Agnès*. Set in *Martinique* (known best to literary people no doubt as *being the home of* the poet and politician Aimé Césaire), it is a witty *satire* which at the same time tells an exciting and authentic tale of a French colonial community at a time of unrest. It is told by a woman who has lived in *Martinique* for coming on 40 years, whose niece Agnès comes to visit her and disappears, apparently kidnapped by revolutionaries. This is a really unusual and effective narrative voice, showing great wisdom and assurance. The author's knowledge of the locale is extraordinary. This is a very impressive début indeed.

Jennifer Potter: kidnap in Martinique

How the war seemed

BY JOHN GRAHAM

"The Good War"
by Studs Terkel. Hamish Hamilton £12.95. 589 pages

Studs Terkel is an American phenomenon, well-known in his own country, less well-known here. He is in his early seventies and has been many things in his time: radio soap-opera actor, disc jockey, TV master of ceremonies. But what he is best at, unexcelled on either side of the Atlantic, is being an old-fashioned reporter.

He specialises in oral history, and has already written superb accounts of the Great Depression, the history of jazz, and modern American attitudes to work. What he does is so simple anyone could do it. You just pack your notebook and your tape recorder, find the people who were *there* when something happened, get them to talk about it, and write it down.

The advantage of this method is that the pages are completely free of sociological claptrap, armchair revisionism and academic moralising. They ring instead with the 24-carat authenticity of ordinary human beings, a far cry from the "grand design" school of history where human destiny is decided in the chancelleries of Europe, or wherever. Human destiny is more often decided by millions of people acting in gigantic confusion, and Terkel lets them tell it in their own words. Long before the hippie sloganising of the 1960s Terkel had decided to tell it like it was.

His latest book is an oral history of World War II, as experienced by Americans both at home and in the various war theatres. Some of them are famous names, like John Kenneth Galbraith and Averell Harriman, and there are also interviews with Germans, Russians and Japanese, but mostly they are ordinary people like Bill Barney, a crew member on the plane that dropped the bomb on Nagasaki:

"If there'd been a third one *dropped*, we woulda dropped it, our crew. To my knowledge, only four bombs were completed. One was in the United States. The third was loaded in our ship the day the war was over . . . . If that war would have lasted, it would have been used in Europe, I know. We had a simulated flight, trainer things. You flew two, three thousand miles. Bombadier, myself, navigator. You flew these missions, and they was all in Germany. Japan was just timing." Poor Nagasaki! It was only Bill Barney's tertiary target, but the first two cities were protected by cloud cover . . . .

Philip Morrison dealt with the bomb from the other end, as a nuclear physicist working on the Manhattan Project from the beginning. Most of the physicists were extremely hawkish. Morrison was more ambivalent. He agreed with James Franck (whose report was ignored by the White House) that the bomb should not be dropped on a city. It should be dropped as a *demonstration*, a warning. "I was of the opinion that a warning to the Japanese might work . . . . The *military said you* don't warn."

But he is also certain the bomb would have been used against Caucasians, specifically Germans: "Oh, you bet. We would have all struck if it hadn't been. If Roosevelt were still there and Germany had not surrendered, it certainly would have been used. The libido of the physicists was to drop it on Germany. Every physicist felt this."

But his view was changed: "The physicists have nothing to do with it any more. It's an industry. It's bought and paid for. There are thousands of jobs . . . . This is the legacy of World War II, a direct legacy of *Hitler*. *When* we beat the Nazis, we emulated them. I include *myself*. I *became* callous to death."

This is the *heart of* Terkel's book. World War II was the "good" war *of* the title, because after Pearl Harbour and reports of what was happening to the Jews in Europe, Americans were able to enter the war with the clear consciences of moral crusaders. But what emerges remorselessly from hundreds of interviews is that the awfulness of war and the primacy of peace very soon became apparent to them.

There could hardly be a better time for the publication of such a book. Einstein said: "The power set free from the atom has changed everything, except our ways of thinking." In one respect this is true, since the nuclear arsenal today is equivalent to *one million Hiroshima* bombs. But what is also true is that millions of ordinary people, everywhere, *have* changed their ways of thinking. They are called peace protesters, anti-war hippies, Greens, Greenham women, freaks, or ordinary men and women like those who speak so vividly, courtesy of Studs Terkel. Their cries of pure reason cannot be heard by political leaders who have *not* changed their way of thinking.

The Good War is both the best history of World War II I have read, and the best anti-war book. What Goya did with *colour*, Terkel does with *other* people's words. I lent it to a *student* who read it *and said*: "Since 90 per cent of the *world's population* do *not live* in Russia or America, why don't *the* so-called superpowers just shoot it out over the *North Pole* and leave *the* rest of us to get on with our lives?" It was a difficult question to answer.

Those thinking machines

BY DAVID FISHLOCK

Into the Heart of the Mind
by Frank Rose. Century £10.95, 207 pages

So freely is the term "artificial intelligence" handled nowadays that it is hard to adjust to the idea that it is only 30 years old, coined by a Californian professor called John McCarthy of disconcertingly hippy appearance in 1956, before even the first silicon chip was invented.

Then it was dimly perceived as a supreme intellectual challenge; the computer that might mimic the human mind, not as a number-cruncher but in its ability to reason, to think for itself. The academic world was deeply sceptical. It was inclined to reject all computer science as engineering — problem-solving — rather than science, the quest for new knowledge.

Shaping this intellectual challenge into a sub-species of science acceptable to the established disciplines, including philosophy, mathematics and neuroscience, was — still is — a formidable problem. Meanwhile, in order to make any progress the pioneers needed the most powerful and versatile computers available, a costly business. Unlike the high-energy physicists, who also needed extremely expensive tools called atom-smashers as well as computers to pursue their ideas, the pioneers of artificial intelligence did not have the ear of the big patrons of science. Some oversold their ideas and claims in their efforts *to get more powerful machines*, and thus gave more ammunition to *their* critics.

All this seems a far cry from the support artificial intelligence is attracting today, in the form of national programmes pursuing the super-computer or thinking machine. These began with the Japanese Government's ten-year $500m quest for the *fifth*-generation computer. It inspired similar programmes in *the U.S.*, and in Britain, where Alvey, who recommended a *similar programme*, has given his name to another $500m cache for *artificial intelligence*.

But such quests as Alvey's which aims to build four demonstration machines that can think—each about a particular problem—will rely heavily upon a handful of folk right at the frontiers of the discipline they invented in the 1950s. They include McCarthy and Marvin Minsky, one of the most memorable scientists I have ever met, who once continued an impassioned discourse on computer learning while *pacing* round and round me in a tight circle as we awaited a lift on our way to lunch.

Frank Rose *knows the* importance of these gurus to the story he tells of the search for a machine that can reason. But he chooses cleverly to weave their contributions into the story of one *upstart* school of academic study (which did not exist until 1978) at Berkeley, California.

Rose finds Berkeley's reluctance to accept artificial intelligence, despite the fact that California had the greatest concentration of academic and industrial interest in the subject anywhere *in* the *world*, "curiously human. For years, computer science at Berkeley had been dominated by theorists, brilliant individuals who'd made names for themselves in pursuit of the fundamental limits of computation."

For these academics, embroiled in the deep philosophical questions *of* mathematics, the computer was merely a tool. "They tend not to care about such frivolous concerns as whether it can *think*."

His story is of a brilliant young man called *Robert* Wilensky, born in the Bronx, adept at *raising* money, and his efforts to teach a computer called Kim *to think for herself*. Rose brings the technology to life through *the* humour, the pettiness, the frustrations and ferocity of academic life, in a tale which has parallels with *Shaw's Pygmalion* in how much yet ironically how little the *great* intellectual adventure really achieved.

In short

Dorothy Wordsworth by Robert Gittings and Jo Manton. Oxford. £12.50. 318 pages

Dorothy Wordsworth had, as this new biography makes plain, a hard time when she was a girl. Both Wordsworth parents died when she was still very young and she was brought up by relations. Moreover, the rascally Lord Lonsdale, "the bad Earl" (as he was known), for whom her father had been the law-attorney, reneged on a debt of £8,500 which he owed the Wordsworths when John Wordsworth died.

It took years of litigation to recover it and by then the bulk of the income was needed to put the boys through Cambridge while Dorothy, who adored her brothers, especially William, had to rely on the charity of relations. If it was William who wrote the Ode to Duty and preached the beneficence of adversity when he became a poet it was Dorothy who exemplified these virtues. But her girlhood was not an unhappy one. She had a talent for life which overcame her *circumstances* and *one* for making friends. One friend, Mary Hutchinson, *married* William and it took Dorothy a while to recover from the shock of that. The story of the famous ménage in the Lake District is told again here and it inspires a renewed respect for all the participants. An account of Dorothy's decline into a senile eccentric old woman rounds off a work of scholarship and patient research by this able husband and wife team.

ANTHONY CURTIS

Crime

BY WILLIAM WEAVER

Sion Crossing by Anthony Price. Gollancz, £8.95, 271 pages

Anthony Price's stories have become so labyrinthine and his dialogue has become so elliptical and allusive (people hardly even finish a sentence) that his novels are extremely difficult to follow; and there are times when even a loyal reader begins to wonder if it's all worth it. In this latest, an elaborate revenge against David Audley—Price's hero, who is growing more and more like Peter Wimsey—involves a colleague of Audley in a mysterious, bloody adventure in the *Deep South* (of the U.S.). One begins to have doubts about the author's flaunted scholarship when he says (more than once) that Ashley Wilkes lived in a house called Fair Oaks, indeed, all 12 of them! Lawsy!

Radical lady

BY BEN PIMLOTT

Emma Goldman: An Intimate Life
by Alice Wexler. Virago £12.95 (£5.95 paperback). 339 pages

Are the roots of terrorism to be found in psycho-pathology, or in political tradition? In this compelling biography of America's most *notorious* anarchist (an advocate, if never an actual practitioner, of the violent *attentat*), Alice Wexler *shows how the two types of* causation may be inextricably *linked*. At the same time, the author reveals a strange, fantasy world of clandestine politics in turn-of-the-century Chicago and New York that bears a startling resemblance to its Russian equivalent.

The similarity is not accidental: Emma Goldman was a citizen of Russian and Yiddish *immigrant* America. A refugee from a disturbed childhood in Petersburg and Konigsberg, Emma arrived in Rochester, New York in 1886 at the age of 16. Here she quickly mar*ried* another Russian, divorced him, re-married and left him again, *before* her twenty-first birthday. When marital life *finally ended*, she fled to Manhattan, putting Jewish bourgeois convention behind her. "All a Jewish daughter needs to know," she *complained*, "is how to prepare gefilte fish, cut noodles fine, and give *the man* plenty of children." In her early teens, she had been morbidly obsessed by the Nihilist *assassination of Czar* Alexander II. Now this interest returned, and she found fertile soil for her ideas in the bohemian immigrant society of the Lower East Side.

Why did she become a revolutionary? By her own claim, she was an anarchist of the Topsy variety: "I was just born so." Wexler points, instead, to early environment: anti-semitic pogroms in Russia, and a masochistic relationship with an aggressive, authoritarian father who stood, in *Emma's mind*, for the power of the state. Certainly her own adult relationships seemed, in their *combination* of anger and martyrdom, to mirror her politics.

In New York, she started an affair with another Jewish, father-hating anarchist, Alexander Berkman, who shortly after their meeting received a long gaol sentence for a bungled attempt at political assassination. Goldman later claimed to have been an accomplice. At the time, she escaped indictment. Whatever the truth, Berkman's conviction became the fixing event of her life, and she remained faithful in mind (though not in body) to Berkman and his philosophy throughout his 14 year imprisonment: "*Increasingly* she would celebrate the lonely romantic rebel," *writes* her biographer, "while viewing with dimmed *enthusiasm the* masses who failed to appreciate him." Hers became the life of the professional agitator: odd jobs as ice-*cream parlour* maid, corset-maker, private nurse sustaining a relentless round of lecture halls, hotel rooms, strikes, mobs, arrests, trials and detentions.

Travelling abroad, she listened to Freud in Vienna, and picked up the ideas of the sexual revolutionary, Edward Carpenter, in England. She read widely, but it was emotion not intellect that fired her speeches. "Every fibre of her being is electrified by the spirit," wrote *an admirer*, "to which her lips give utterance." When another admirer, spell-bound by her orations, murdered President McKinley, she lauded him as a hero. According to Wexler, "The public perception of her as a defender of terrorism was not entirely without foundation."

The violence, however, was not all on one side. One of the interests of this book is the account it gives of American labour movement politics in its bitterest phase, made worse by police corruption and anti-union lawlessness that has no British parallel. There were many physical attacks and beatings. On one occasion, vigilantes stripped her lover-manager naked, and branded the initials I.W.W. (International Workers of the World) on his buttocks.

What did she achieve? According to Wexler, "she brought anarchism out of its foreign-language immigrant enclaves into the English-speaking American mainstream." But she never liked or understood trade unions, and tended to equate the roar of the crowd with political success. In reality, for all her cultivated infamy, she was almost without influence, except as a part of Bonnie and Clyde folk-lore, and as a resurrected heroine of feminism.

Is she worth a careful, scholarly biography? The answer is emphatically yes. This excellent book provides a fascinating insight into the psychoses and paranoias of American politics, with resonances that remain terrifyingly apparent to this day.

by Lucia van der Post

Man's striped cashmere cardigan and V-necked sweater (£225 and £220) are by Pringle of Scotland

Red and black bows on a white short-sleeved sweater by Alison Taylor. £80 from S. Fisher

TRUE BRIT

FOR YEARS tourists have been snapping up our knits, going home with trunkfuls of cashmeres and Shetlonds to see them through their own hard winters. What they came for, of conrse, was quality, reliable classics made to certain standards, that all the world could recognise.

The temptation for those in the business of manufacturing the knitwear was to think that business could go on exactly as it always had done and that nothing much needed to change. The wiser heads in the industry saw the danger signs looming—Italian and French knits were beginning to have a cachet of their own, and those in search of a newer, fresher look had little choice but to look abroad.

Just when it seemed that British knitwear was polarised forever into a choice between (a) high-quality but strictly traditional shapes or (b) trendy styles of doubtful quality, along came a growing band of creative, innovative hand-knitters. Lead by the inimitable Patricia Roberts and quickly followed by a whole group of young designers, each one different, each one offering a style and flair of their own, they brought o breath of fresh air into the rather staid and dull world of yarns.

At first sight it wasn't so obvious that they were good news—their prices were out of reach of most of the population so that their amazing designs were chiefly of academic interest. However, they turned out to be just the kind of shot-in-the-arm the industry needed, and the creative energy that was once tha preserve of the hand-knitters filtered through to the commercial knitters. Today most of us can find stunning knitwear at prices ranging from £11.99 for Marks & Spencer's latest star offer (a plain, natural linen mix sweater) to the £423 which a cashmere kimono-style jacket from Jean Muir will cost you today. In between, of course, there is a whole mass of middle-of-the-road prices.

A few weeks ago I wrote about the changes that were being wrought in some of the cashmere lines being sold by The Scotch House. Today I bring you a selection of just some of the range of knitwear that can be bought in shops up and down the country.

The photographs are taken from the Design Council's magazine, Design Selection, and are witness not just to the success of our knitwear industry but to innovation at the Design Council itself. Once upon a time the only clothing that entered its portals or survived its scrutiny were the serviceable garments that deep-sea fishermen or oilrig personel were required to wear—today, the knitwear industry itself is clamouring to be included in the Design Council's Fonded Consultancy scheme and eager for the kind of exposure that Design Selection con offer.

Pictures by David Gray

Chunky white machine-knitted cotton shirt, by Molto £74 from Dickens & Jones, Joseph and Midas

Anybody interested in e quick tour of the best of British knitwear (It seems to have been drum-beating time in the fashion industry and the mood is cotching) can either toke in a visit to the Design Centre itself at 28 Haymarket, London SW1, where some 50 garmets are on show, or buy the full-colour magazine, Design Selection, which features a good cross-section.

Jean Muir headed the selection committee which alone is indicative of a precise and meticulous commitment to standards.

There are chunky sweaters that look just right with today's slinky skirts; there are intricately patterned hand-knitted waistcoats by Molto. There are Jean Muir's own refined and precisely-worked cashmero jackots and sweaters. There is Kay Cosserat's rose jacquard cardigan. Potricia Roberts's ravishingly pretty (and less prettily priced) cotton sweaters and Alison Taylor's witty short-sleeved sweater bedecked with red and black bowties (see the photograph top right). For those who are interested in what is happening down at the end of the market where most people buy—there are plain cotton sweaters from Marks and Spencer at £13.99 each and a nice cotton and linen mix sweater by Christopher Fischer for £50.

If you buy the mogazine Design Selection (it is 75p from most newsagents) you will find it lists all the manufacturers and gives a good selection of the shops that stock the knitwear as well. All in all it is a lively and imaginative collection, giving ample evidence of why our knitwear last year accounted for well over £3bn worth of sales and why foreign buyers at last week's British fashion shows bought as if they might never get another chance.

India in Luxury

INDIA, more than any other country that I have yet visited, is worth planning for. Unless you have endless supplies of thot greatest modern luxury, time, and can afford to wander and make mistakes, you should do plenty of homework first. High tourist season for most of that huge continent is October to February so now is the time to settle down with books ond maps and start to dream.

I can hardly think of o better first step than LOUISE NICHOLSON'S splendid, new guide, India in Luxury (published by Century at £10.95). Don't let the title put you off—firstly, luxury in India is cheaper than you think, and secondly, her book is full of the kind of practical down-to-earth details thot every tourist needs to know. She gives one the feeling she has explored almost every inch herself and here, to give you something of the flavour of the book, are some extracts that seem particularly suited to this page—in other words, o small sample of How To Spend It in India.

★

GENERAL SHOPPING HINTS

Indian craftsmanship. In all fields this can be of very high quality. The craftsmen serve an Indian public who still keep their money in gold, gems and silk. It is worth buying the best and avoiding the junk produced for tourists and sold from stalls beside monuments.

Whatever skill you want, it is available. Tailors will run up a dress, shirt or suit almost overnight and can copy any design expertly. Dhurries (flat-weave rugs) cost little and can be made to specific designs, colours and sizes, then shipped home (and they do arrive). Furnishing and dress fabrics of the highest quality cotton and silk are cheap, come in an endless variety and can also be woven to order. If you buy curtain fabric, the curtains can be made up and sent on by ship. Craftsmen will make up the fine pearls and Indian gems into any design in a week, or less. You can even have your favourite shoes copied.

★

Government emporia. Every state has its own chain of shops, called emporia. They are stocked with a good variety of crafts produced in that state, the quality depending upon the ability of the buyers. For instance, the Gurjari emporia of Gujarat are superb. The buyers do the hard slog, going around the villages to get supplies and commissioning craftsmen to make pieces. The expanding chain of the Central Cottage Industries Emporia at Delhi, Bombay, Calcutta, Jaipur (and soon Bangalore) stocks pieces from all over India.

If you prefer to shop in the bazaars, a quick recce in the emporia gives an idea of a price to aim for when bargaining. By doing this research, you can sometimes strike a better deal in a bazaar than in an emporium where prices are supposedly fixed — but you need to inspect goods carefully for quality.

★

Hotel shops. Unlike their counterparts in the West, they are often of high quality and yet reasonable prices. Significantly they are heavily patronised by locals. Their clothes, leather and jewellery shops stock copies of the latest European designs. And there are quality Indian crafts. Clothes shops have tailors on call who can whip up garments overnight.

★

Antiques. Not always as old as they look. Ageing help is sometimes given to newly made objects sold in shops and bazaars, so beware. A reputable antique shop will give a guarantee in the big cities, this opinion can be endorsed by officials.

On the whole, antiques are very expensive, and nice things are hard to find. There is a larger range of quality old paintings, bronzes, textiles and sculptures to be found at the dealers and auction houses of London, New York and Paris. Run-of-the-mill art has a high premium within India and is expensive. If in doubt, stick to buying new crafts.

KASHMIR

Fur. Fur coats are comparatively cheap. There is a limited government control on jackal, jungle cat, fox (common, hill and red) and toddy cat but no control on sheepskin. Coats are put in the ships unfinished, to be altered, lined and tidied up as the buyer wishes. Prices are according to the fur and the size of pieces but roughly Rs2,000-12,000 full length: Rs500-5,000 half length, plus Rs300 for lining, and a small UK import tax (it must be declared). There is also good silver and gem-studded jewellery. (There are approximately 15 rupees to the pound.)

Shawls. Then there are the Kashmir shawls. The craft was possibly introduced to Kashmir from Persia (shal is Persian for woven fabric) by Sultan Sain-ul-Abdin (1423-74), together with paper-making, sericulture (silk growing) and fruit trees.

After a period of decline, the emperors revived the art and stocked their wardrobes with shawls, since when they have remained expensive and much sought after. Shahtus shawls were the finest of all, and today's lower-grade version is still pricey. They are woven from pashmina (known in the West as cashmere, from the country of its origin), the inner, soft fleece grown by mountain goats in the winter and shed in the spring. An even finer wool from the throats of the ibex was used to make the legendary shawls that can be passed through a ring, very rare today.

★

Tailors. The tailors in Kashmir are excellent. To have a Kashmir suit of pyjamas (baggy trousers, from the Hindi) and straight shirt made, choose one of the many tailors who all sit cross-legged working at Singer hand sewing machines. He will say how much material to buy and where, measure obscure distances all over the body very quickly without writing anything down, and produce a perfectly fitting suit the following day. Ideal for hot travelling down on the plains.

HYDERABAD

Pearls. Adored by the Nizams, who ate them powdered, rubbed over their bodies for good health and draped great chains of them around their necks. Hyderabad is still the pearl market of India, concentrated in a row of shops on Pertherghotty Road near the Charminar. Here thousands of pearls arrive from Japan between December and March (the Gulf supplies have dried up).

The sorting and grading is done in the shops, where women from all over India come to buy this year's pearls. Prices are a fifth of British prices, a two-string classic necklace is around Rs 1,200-1,400, four strings of tiny pearls are Rs 700-800, cluster earrings Rs 100-200. Pearls can be bought by weight (enough for strings and matching earrings, bracelets and rings) as the best stringing and clasps are found in Bombay. Natural pearls are a better buy than cultured as they do not taint. Old pearls can be traded for new.

BOMBAY

Jewellery. For gold and diamonds keep to large shops and there should be no problems. If the Zaveri bazaar ones are too overwhelming, both Taj and Oberoi have jewellery shops. Indian craftsmanship in gold and silverwork and stone-cutting is regarded as best of all and is very cheap. Stones are good buys but gold is quite expensive (ideally bring your own).

Diamonds are 15-20 per cent less than in Amsterdam, London and New York and come in two qualities, deluxe and super-deluxe, each sold with a certificate and the promise to buy back the jewellery at any time at the current price.

When buying, look out for the four "Cs," carat, clarity, colour and cut. (Diamonds carry special setting restrictions and tourists taking them out of the country require a certificate and must pay in foreign exchange, so check carefully or your diamond may not be forever.)

If the designs of the jewellery in stock are no good, any piece can be made up in about a week. And the customer can bring his own gold or stones. For instance, pearls are very cheap in Hyderbad—a fifth of London prices—but stringing and setting best in Bombay (for stringing Hyderabadis go to Bat, next to the Regal Colaba).

A reliable jeweller is Tribhovandas Bhimji Zaveri, who has shops in Zaveri Bazaar, the Oberoi and Opera House and Gazdar in the Taj. For old and new silver, try the silver bazaar at Mumbadevi (especially numbers 17, 30 and 47). Check the day's price first as it is sold by weight.

★

Fabric. M Karve Road has the sari shops, which also stock fabric by the metre and jazzy brocading, some wide enough to have elephants, princesses and camels woven in. Customers are expected to take their time. One good shop is Kala Niketan. In the Taj, Indian Textiles has extremely beautiful (but quite expensive) silk, crepe de chine, brocade and the rare crepe cotton.

Nearby at Churchgate, Pride sells fabrics that are all Indian-made but use European designs and cost less. To have fabric made up, Smart and Hollywood Tailors near the Jehangir Gallery have been tried, tested and praised for copying in a few days a Calvin Klein suit in fabric and an Aquascutum raincoat in soft leather, the fabric and leather bought in the bazaars. (At the time of writing Handloom House has been gutted by fire and was closed. Should it have re-opened, it is good.) To have fabric embroidered and made up go to Adity Enterprises, Sea View Terrace, Wodehouse Road.

★

Leather. The instant the designs come out in Milan and Paris, the Indians copy them. And although shops in the two hotels stock a dazzling array of the latest shoes, bags, belts and jackets at a fraction of European prices, Dhaboo Street in the bazaar area has more variety, better quality (suede-linings for bags) and is even cheaper.

Muslim wholesalers' shops are bursting with stock, so search out the best, then bargain hard. Belts start at Rs20, wallets Rs50, handbags Rs65—the shoe selection is limited. There is also leather by the piece. As recommendation, the Italians come to pick up this year's Guccis, the French their Cordins. Since India does not import either make, their copyrights do not extend here, so the blatant piracy is not illegal. To find the tiny street, get somewhere near, then ask.

POSTSCRIPT

IT SEEMS that coffee drinkers the length and breadth of the country have been a worried lot — they have been unable to solve the problem of how to keep their coffee hot. This deep need Thermos has decided to meet. Coffee made at 11 will, it seems, still be hot at three if they do but turn to the Coffee Butler, Thermos's latest line in vacuum insulated products.

Most of the best-looking vacuum flasks around at the moment have a rather stream-lined, hi-tech air about them and if you prefer something rather more "gracious" then this could be the Thermos for you. It certainly has an old-fashioned look to it, rather like a gentle ceramic coffee-pot — it would look quite at home at Glyndebourne.

The model photographed here is just one of six new designs, all called the Coffee Butler and all with a certain air of gentility about them. Three of them are white, one is white with maroon and a fine gold trim, another white with dark green and fine gold trim. The sixth model is white trimmed with two fine green stripes and a dark top.

Three are priced at £12.95 and the other three at £13.95. All are to be found at John Lewis, Boots, Texaco and other department and hardware stores.

●

TWO weeks ago I wrote about the artificial flowers and flower arrangements made by Countess Hoechberg of 21 Clonmel Road, London SW6. It perhaps wasn't made clear in the article that that address is her workshop and that though she is happy for readers to visit her there, to see her selection of plants and arrangements, she would prefer it if they made an appointment by telephone first. Ring her on 01-736 7861.

BRIDGE

E P C COTTER

TWO GOOD players were at the helm in both today's example hands, but neither managed to land the contract. We start with a no trump game:

N
♠ J 6 3
♥ Q 10 9 5
♦ A 2
♣ K Q 5 4

W
♠ K 10 4
♥ 7 6 4 2
♦ K J 8 7 6
♣ 7

E
♠ 9 7 5 2
♥ A 8 3
♦ Q 5
♣ J 10 9 6

S
♠ A Q 8
♥ K J
♦ 10 9 4 3
♣ A 8 3 2

South dealt at a love score, and opened the bidding with one club. North replied with one heart, and raised the opener's rebid of one no trump to three.

West led the seven of diamonds, and the declarer showed excellent technique in winning with dummy's Ace. West cannot have led from a suit containing three honours—otherwise, he would have started with the King—and if he has led from a five-card suit, East with K x, Q x or J x must block the suit.

Then, strange to say, declarer went wrong at trick two by making a play which is almost automatic. He attempted to dislodge the inescapable loser—in this case the Ace of hearts—by leading the heart five from the table. East rose at once with his Ace, cashed his diamond Queen, and led a spade. South refused the finesse; but when he found that the clubs did not break, he went one down.

At trick two, South should test clubs by playing to the Ace and back to the Queen. If the suit breaks, then, of course, the "automatic" play is correct, as the contract is assured. However, when the 4-1 break in clubs comes to light, the picture changes. At this point the heart is not the correct play, because nine tricks cannot be made without finding an extra trick in spades. The danger card is now the spade King, and this suit must be attacked first. If East holds the King, there is no problem; if West holds it, the contract can still be made if East has the heart Ace.

We turn to a small slam:

N
♠ A K J
♥ J 10 7 3
♦ K J 5
♣ K 8 6

W
♠ 8 6 4
♥ 6 5
♦ 10 8 4 2
♣ Q J 10 5

E
♠ Q 10 7 3
♥ 8 4
♦ Q 7 3
♣ 9 4 3 2

S
♠ 9 5 2
♥ A K Q 9 2
♦ A 9 6
♣ A 7

Both sides had won a game, when North dealt and bid one no trump. South forced with three hearts, and North rebid three spades, accepting hearts as trumps, and making an economical cue-bid. South tried four clubs. North refused to give further encouragement and signed off in four hearts, but South pushed on to six hearts.

Winning West's club Queen in hand, declarer drew trumps in two rounds. He then cashed the club King, ruffed dummy's last club and led a spade, finessing the Knave. East won, and returned a spade. The declarer crossed to his diamond Ace and returned a diamond, finessing the Knave. East again had the Queen, and the slam was lost.

South was unlucky to find both finesses wrong, but he had a better play at his disposal. After drawing trumps and eliminating clubs, he should play Ace, King, and another spade. East is in the lead, and must return a diamond into the tenace, or concede a ruff discard.

"Oh, very convenient," you exclaim, "but suppose West has the spade Queen?" This is the point. If West wins, he must return a diamond, which we run to our hand. It is the holding of the nine that makes our play correct, for now three cards—two Queens and a ten—must be wrong for us to go down.

Maestro calls the tune

RECORDS, BY ANDREW CLEMENTS

The Flying Dutchman is the last of the major Wagner operas to be recorded by Herbert Von Karajan: indeed, he only conducted it for the first time at the Salzburg festival in 1982. The new set is as opulent in its sound and orchestral playing as any of Karajan's recent opera projects, even if some of the singing is a different matter. The performance of the overture, with the Berlin Philharmonic's tonal forces fully deployed, is a revelation in itself; but, unfortunately, its intense dramatic coherence is not quite sustained through the opera. In old age, Karajan's choice of tempi has become increasingly measured, not always to the good of his performances: here, there are a number of passages, Senta's ballad the most obvious, when the tension is allowed to slack just too much.

They are the exception, however, and more often the shape and character of each scene is most exactly honed, with a degree of theatrical involvement that the conductor does not always persuade his singers to share. José van Dam's Dutchman is peerlessly sung but, as with is Wozzeck last year at Covent Garden, one feels that the vocal purity is achieved at some cost to the intensity of the portrayal: that there is an element in the character's make-up which eludes him almost completely and whose absence takes the edge off his performance. Kurt Moll's Daland is almost vocally a match for van Dam, and certainly his equal dramatically, with robust tone and no-nonsense manners.

For the rest, however, there is less reason for gratitude. As Senta, Dunja Vejzovic is predictably the controversial casting, as the was singing Kundry on Karajan's earlier *Parsifal*: for her undeniable commitment, one pays a hefty vocal price in terms of pinched tone, uncertain intonation and dubious pronunciation. There is no doubt she is an exciting artist, and parts of her role here strike genuine sparks—the prolonged duet with the Dutchman is superbly sustained by both singers, no doubt encouraged by the lusciously moulded textures with which Karajan supports them.

Unfortunately, the less satisfactory outweighs the good, and the same is true of the rest of the cast. The balance of virtue in this version is firmly on the side of the orchestral playing and with Karajan's total, if sometimes protracted, absorption into the drama; as one would expect from his approach he favours the single-act version of the score, which also was Wagner's preference.

With Monteverdi's *Orfeo*, one is on much less firm ground, textually and stylistically. The latest account is surely the most austere so far, in terms both of the forces employed and the dramatic approach. The accompanying booklet is sparing with details of the edition used, but it sounds relatively light on decoration and instrumentation—single stripes and wind drawn from the London Baroque and the London Cornett and Sackbut Ensemble, with the singers all members of Chiaroscuro. The director is Nigel Rogers, who also sings the part of Orfeo.

The effect is intimate and small-scale but, at the same time, curiously distanced: it is the kind of presentation which could confirm the prejudices of those whose regard baroque opera as an anaemic progenitor of the 18th- and 19th-century repertory. Passion apparently is excluded: the singing, despite its fastidious elegance and sense of period style, is curiously disembodied. Within these constraints, however, there are finely turned performances from Patrizia Kwella (Euridice) and Emma Kirkby (La Musica), and from Rogers himself. One longs, though, for a sign of real dramatic involvement.

Emma Kirkby and Nigel Rogers also are the principal singers on a new version of the Monteverdi *Vespers of 1610*, conducted by Andrew Parrott with the Taverner Consort, Choir and Players (EMI Reflexe EX 27 0129 3, two records). Here, though, the result is both *historically informative* and musically expressive. There is no room to detail the particular features of the edition of the Vespers used for the recording, other than to say that it places the work in its liturgical framework, with each psalm or canticle preceded by a plainchant antiphon without artificial transpositions; and that instrumental tunes, never doubled, have been restored to their original pitches.

Parrott thus manages to achieve the maximum of musicological authenticity alongside expressive flexibility; where the thinness of *Orfeo* leads only to dry impersonality, the Vespers abound with vitality, with acute musicianly thinking expertly targeted. There is no attempt to submerge the vocal lines under an excess of decoration (added ornaments are modestly applied), nor to create a sumptuous choral sound; though for some of the plainchants the engineers provide a mock-cathedral acoustic, which sounds slightly out of place. It is, in short, a most attractive and sensitively handled account, likely to be of interest far beyond the band of baroque specialists.

The Flying Dutchman (Wagner)
Berlin Philharmonic. Von Karajan. José van Dam, Kurt Moll, Dunja Vejzovic. EMI EX 27 0013 3 (three records, cassettes or compact discs).

Orfeo (Monteverdi)
London Baroque, London Cornett and Sackbut Ensemble, Chiaroscuro. Directed by Nigel Rogers. EMI Reflexe EX 27 0131 3 (two records).

Vespers of 1610 (Monteverdi)
Taverner Consort, Choir and Players. Conducted by Andrew Parrott. EMI Reflexe EX 27 0129 3 (two records).

Endearing young charms

BY STANLEY SADIE

Stephen Storace, the leading British opera composer of the late 18th century, wrote two Italian operas for performance at the Vienna Court Theatre: *Gli equivoci*, which Camden Festival revised with great success 1-1 years ago, and *Gli sposi malcontenti*, which Opera Viva are giving at King's College in the Strand (in a fluent English version by Brian Trowell).

Written in 1785, when Storace was 23, it is immature and in a curious amalgam of styles but in the end a work of very considerable charm.

Born in England of an Italian father and an English mother, Storace had part of his training in Italy, it was probably through his sister Nancy, the first Susanna in *Figaro*, hat he went to Vienna where he was a friend of Mozart's. *Gli sposi malcontenti* has an Italian fluency and a Viennese orchestral style—the wind writing is as rich as the mature Mozart's though by no means as discriminating, but the songs keep showing an oddly English flavour. English opera of his time still had one foot in the ballad tradition: composers rarely used existing tunes, in the *Beggar's Opera* manner, but wrote new ones in a similar would-be artless vein. This is a musical analogue to the writings of men like Richardson and Sterne: the artlessness is actually quite artful in the way it conveys pathos or innocence or delicate sensibilities in general.

There are some delightful numbers in th score and I wonder what the Viennese, used to a Paisiello or a Salieri, and soon to face Mozart, made of them. The heroine, Eginia, has a delightfully sad air, with oboe and bassoon in tenths (as in Susanna's "Deh Vieni") in the first act, and then another highly original one with phrases anticipating "Dove Sono"; in the second act there is a beautiful air with a harp (here done on a harpsichord) and flutes. And here final one, demanding a Fiordiligi-like range, seemed very pretty and touching (dramatic, too) but was ruined by noise from the theatre's plumbing. This was, of course, Nancy Storace's own role, and much the richest. But there is scarcely a number which is not both tuneful and colourful; and the long ensembles that end the acts are skilfully and spiritedly carried off.

The opera deserves a proper, professional revival, and I hope that the chances of one won't be preudiced by this first attempt—for which we must be grateful to the ever-enterprising Leslie Head. No less than a Mozart opera does, this score an orchestra, not solo strings; and, it seems to me, at a more consistent and certainly livelier pace. It also needs a more discreet continuo accompaniment.

The strongest of the singers were Lorna Gyton, quite charming in Eginia's music and Christopher Davies, as Rosmondo, the father-in-law who persecutes her.

Schubert in Sheffield

A festival devoted to the works of Schubert will be held in the Crucible Studio, Sheffield, from May 11 to 26, presented by the Lindsay String Quartet

Chagall's legacy

BY WILLIAM PACKER

With the sudden death of Marc Chagall (pictured above) at his home in the south of France, the last direct link with the greatest period in the history of painting this century has been broken. It is a link all the more remarkable for havingp roved itself so resilient; for Chagall continued working to the end, but the Paris of those few years before World War I now seems a world away. That was the Paris of post-impressionism and fauvism, cubism and futurism, of Picasso, Matisse, Braque, Modigliani, Diaghilev and the Ballets Russes —in short, whta seemed then to be all the creative energy and talent in the world.

Chagall arrived in Paris in 1910, all of 23 and fresh from his studies in St Petersburg. There is no doubting his precocious abilities, evens as a student, as the first great room of the aplendid *retrospective* exhibition at the Royal Academy bears witnes (it finishes its run here on Monday, but is to go on to Philadelphia in the summer). There, we see, already well-established in all their idiosyncracy and self-confidence, the imagery and technique that would *characterise his work* throughout his life: the high view and scattered incident; the symbolic cast of clown, acrobat, musician, lover; the arbitrary shifts of scale; the natural, unforced, poetic *surrealism*.

But Paris was where he came to himself in his first maturity, as it were overnight, and a succession of great paintings followed over the next few years by which his reputation as a major artist would have rested, quite secure even had he died young. *We see him fully aware* of all that was being done about him, yet increasingly sure of the direction he was taking in his work, so peculiarly his own, and consolidating his achievement with every new piece.

And this is perhaps the critical problem with Chagall. A great talent snuffed out is always remarkable, but Chagall simply went on and on, immensely prolific, conspicuously independent, ever more popular, and oddly uninfluential. His poetic surrealism of dream and idyll, the flying figures, serpentine lovers, the clown and the Rabbi, the goat, the ass and the cockerel touched a true nerve in the popular imagination; yet he founded no school.

But the conveniences and preoccupations of art history are no real disqualifications to reputation if the work is good; and with Chagall at the very last we came to recognise the maverick at his true worth. His work hangs in all the great museums of the world because that is where it should be.

Ballet's passage to India makes history

BY DAVID CHURCHILL

The Sadler's Wells Royal Ballet arrives in India today for the first major visit there by any ballet company *using* full sets and orchestra rather than just recorded tapes and plain tutus. This historic visit ia the last lap of a gruelling eight-week tour for the SWRB, a trek that has embraced the biggest-ever theatrical tour of New Zealand and brief visits to Singapore and Seoul.

Yet, this is only part of a complex, globe-trotting exercise carried out by the Royal Opera House arts companies this year: in a few weeks the Royal Ballet is off to eastern Europe, Spain and Portugal, while the Royal Opera goes to Athens.

For the Royal Opera House, touring has become a major and costly business—yet, judicious wooing of sponsors and firm control of the finances means overseas touring costs the ROH nothing (or, more importantly, does not eat into its Arts Council grant). Moreover, in the case of the SWRB, it actually *saves* the management money every week it spends abroad.

Paul Findlay, the ROH's assistant director whose responsibilities include overseas touring, explains: "Since each week the SWRB is on tour in the UK loses us *£30,000*, we save that amount when they go abroad as all such tours have to be self-financing."

The ROH, whose finances are under continual close scrutiny, cannot afford to run any risks with its overseas tours. In case it forgets, it has the stark example of the English National Opera, which last year lost more than £500,000 on its U.S. foray and has been plunged into a crisis. Yet the Royal Opera, in its artistically successful 1984 tour to Los Angeles, had no such setback.

Findlay, who is full of sympathy for the ENO's plight, points out that the financial losses in the U.S. resulted from promised sponsorship failing to materialise. "If there's one thing I have learned in my 16 years with the ROH, it's never to commit yourself overseas until it is signed on the dotted line. You just can't afford to take risks like that," he stressed. Shortly before flying to the Far East to rejoin the SWRB tour, Findlay was busy finalising contracts for the Royal Ballet's coming tour: until these were signed, question marks still hung over parts of the venture.

The SWRB's arrival in Bombay today is the culmination of several years' planning: but since there never has been a company of its size in India before, the artistic reception is an unknown factor. "I've always believed there must be an *audience* for full-scale ballet in India," maintains Findlay. "Now, we're going to find out."

The week-long visit to India became practical because the country is on the SWRB's way home from New Zealand and Korea. *But it* was made possible—as was the whole tour—only by sponsorship from Barclays Bank (particularly) and the British Council. Barclays decided in 1981 to commit about £600,000 to sponsor overseas ballet touring up to 1985.

This guaranteed sponsorship has, Findlay says, made it possible to look ahead with confidence. "It's not good planning to tour a part of the world where we cannot pick up a financial sponsor." Barclays has been an ideal partner for the ROH because it operates in 84 countries.

Financing the SWRB's present eight-week tour is costing around £600,000, of which Barclays put up £150,000 and the British Council (which also offered other valuable assistance "on the ground") £35,000. The rest was met by local organisers out of box office and other receipts.

It is not just tour funding that is complex; physically, moving a major arts company around the world is a massive logistical exercise although it has been made easier in recent times by the advent of wide-bodied jets able to take larger sets and props. Even so, the SWRB's sets and costumes for New Zealand filled four 40 ft by 20 ft containers with 4,000 individual items and weighing 30 tonnes.

Ballet touring overseas is not just about money and logistics, however. Peter Wright, director of the SWRB, is proud to take the best of British ballet to people who would otherwise never get the chance to see this classical style performed live with full sets and orchestra.

Moreover, he believes overseas touring improves the morale of the dancers. "It helps to broaden their outlook—especially the younger ones who can sometimes become too inward-looking," he says.

Regions get £5.2m in grants

BY ANTONY THORNCROFT

The Arts Council came out from behind the barricades yesterday to disclose the first good news from its "Glory of the Garden" strategy, which switches money from London to the provinces. Exactly a year to the day after launching its programme, it announced £5.2m in development grants for the regions.

It did not quite achieve its aim of persuading local authorities and business to match its own allocation for the provinces, but, all told, the 12 strategic areas out of London will receive £3m from the Arts Council, £2m from those local authorities rising to the financial bait, and the rest from business sponsorship.

The Arts Council has gone some way to discomforting opponents who say that because of the small increase in its grant from the Government in the coming financial year, it should have abandoned its development plans and shared round the misery equally. It is making its announcement just before the directors of most of the subsidised theatres in the country meet in Manchester this weekend to devise an anti-Arts Council strategy.

Their task will be made that more difficult because, as the Arts Council pointed out yesterday, 17 major provincial theatres will receive an average 28 per cent increase in Arts Council funding because of the Glory of the Garden. In all, the theatres receive £690,000, which in one year gives them half the promised additional cash under the regionalisation programme.

For example, the Crucible Theatre, Sheffield, gets £140,000 to expand its main house and studio activities and to develop its educational and community work; the Haymarket Leicester, gets £120,000 more; the Bristol Old Vic £50,000; and the Belgrade, in Coventry, the same. The Liverpool Repertory Theatre and the Merseyside Everyman have been allocated £100,000, but only if the local authorities match these grants. The Arts Council is confident they will (and if tey don't, the Council is unlikely to withdraw its promise).

As well as theatres, the Regional Arts Associations receive £1,125,000 of the £3m for their own development plans. For th first time municipal art galleries, like the City Museum, Stoke, and the Royal Albert in Exeter, get Arts Council cash to encourage exhibitions by contemporary artists; and £281,000 has been set aside to raise the salaries of dancers. Dance companies, like Mantis and Janet Smith, shaare £420,000; and, all told nearly 50 arts groups will benefit from the extra cash.

The Arts Council has been encouraged by the response fromlocal authorities, and hopes for an even bigger contribution, although its £2m figure for aid includes Liverpool, which has yet to commit itself. But Birmingham, Leicester and rate-capped Sheffield have all delivered.

The sufferers are the big national arts companies such as the National Theatre. Like most of the council's cients, they have been limited to a rise in subsidy of around 3 per cent for 1985-86, mainly because the Government did not give the council the grant for which it asked, but partly because resources have been switched to the provinces.

In the main, little has been done about music while the Arts Council resolves its problems over a planned East of England orchestra.

TODAY'S TELEVISION AND RADIO

BBC 1

† indicates programme in black and white

8.30 am Roobarb. 8.35 Battle of the Planets. 9.00 Saturday Superstore. 12.12 pm Weather. 12.15 Grandstand, *including 1.00 News Summary*: Comprehensive coverage of Grand National day, including 3.20 1985 Seagram Grand National Steeplechase; 3.45 Half-time Football; 3.50 Rugby: second half of Ireland v England and a review of France v Wales; 4.50 *Final Score*. 5.05 News. 5.15 Regional Programmes. 5.20 Doctor Who. 6.05 Terry and June. 6.35 "Hooper." 8.10 Dynasty. 9.00 Bergerac. 9.50 News and Sport. 10.05 Match of the Day Special. 11.05 Late Late Horror: "Black Christmas."

Regional Variations:

Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.05-11.05 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland News. 5.15-5.20 Northern Ireland News. 12.40-12.45 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport; South-West—Spotlight Sport and News; all other English regions—Sport and Regional News.

BBC 2

6.25 am-1.55 pm Open University. 12.05 Saturday Cinema (1): "The Kid." 2.55 Rugby: Ireland v England. 3.50 Sun City. 4.30 Saturday Cinema (2): "The Prince and the Showgirl." 6.25 The Day the Universe Changed. 7.15 News and Sport. 7.30 "Der Rosenkavalier." 10.55 Harry Goes To Oxford. 11.25-12.35 am Rugby Special.

LONDON

6.15 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Cartoon Time. 9.35 *Scooby Scrappy and Yabba Doo*. 10.00 No 73. 11.20 The Fall Guy. 12.16 pm World of Sport: 12.20 Wrestling. 12.45 News; 12.50 On the Ball; 1.20 Yachting; 1.30 Indoor Bowls; 1.40 Racing from Lingfield; 1.55 Indoor Bowls. 2.10 *Racing from Lingfield*. 2.25 Indoor Bowls. 3.35 Racing from Lingfield; 3.45 Half-time Soccer Round Up; 4.00 Indoor Bowls; 4.20 Wrestling; 4.45 Results. 5.00 News and Sport. 5.05 Blockbusters. 5.35 Robin of Sherwood. 5.40 *The Fame Game*. 7.20 All Star Secrets. 7.50 T. J. Hooker. 8.45 The Price is Right. 9.45 pm News and Sport. 10.00 Tales of the Unexpected. 10.30 London News Headlines, followed by Auf Wiedersehen, Pet. 11.30 *Magnum*. 12.25 am Marvin Gaye in Concert. 1.20 That's Hollywood. 1.45 Night Thoughts.

CHANNEL 4

1.05 pm Black and White and Read All Over. 1.30 *The Making of Britain*. †2.00 "Lillian Russell." 4.20 Company of Fools. 5.05 Brookside. 6.00 The Other Side of the Tracks. 7.00 pm News Summary followed by Union World. 7.30 Credo. 8.30 My World and Welcome to it. 9.00 The Green Line. 10.00 Championship Basketball and Curling. †12.00 "Dr X."

S4C WALES

1.20 pm A Question of Economics. 1.50 Rygbi Rhyngwladol (Ffrainc v Cymru). 3.35 A Week in Politics. 4.20 Americans At War. 5.05 Where In the World? 6.30 The Avengers. 7.30 Newyddion. 7.45 Sion a Sian. 8.15 Portreadau. 8.45 Pwl. 9.15 Y Maes Chwarae. 10.30 Championship Curling and Basketball.

IBA Regions as London except at the following times:

ANGLIA

11.20 am Chips. 11.30 pm The Monte Carlo Show. 12.25 am Julian of Norwich.

BORDER

11.20 am Chips. 5.05 pm Cartoon Alphabet. 11.30 pm Shelley.

CENTRAL

5.25 am Adventures of the Blue Knight. 11.20 Chips. 5.05 pm Cartoon *Alphabet*. 11.30 pm Shelley.

CHANNEL

9.57 am Puffin's Pla(i)ce. 11.20 Tarzan. 12.14 pm Channel Islands Weather Summary. 5.10 Smurf's Easter Special. 11.30 Live from London.

GRAMPIAN

11.20 am Chips. 11.30 pm Kris Kristofferson. 12.30 am Reflections.

GRANADA

11.20 am Chips. 5.05 pm Diff'rent Strokes. 11.30 The Saturday Film: "Soylent Green" starring Charlton Heston and Edward G. Robinson. 1.05 am The Ventures in Concert.

HTV

11.20 am The Little House on the *Prairie*. 12.13 *pm HTV News*. 5.05 Cartoon Alphabet. 11.30 The Demis Roussos Magic.

SCOTTISH

11.20 am Chips. 11.30 pm Late Call. 11.35 The New Avengers.

TSW

9.25 am Cartoon (Roger Ramjet). 9.57 Gus Honeybun's Magic Birthdays. 11.20 Danger Freaks. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurf's Easter Special. 11.30 Live From London. 12.30 am Postscript.

TVS

9.25 am Porky Pig. 11.20 The Green Hornet. 11.45 Birdman and Galaxy Trio. 12.12 pm TVS Weather. 11.30 Cher at Caesar's Palace. 12.30 am Company.

TYNE TEES

9.25 am Morning Glory. 9.55 Young Lookaround. 11.20 Captain Scarlet and *the Mysterons*. 11.50 *Batman*. 5.05 Cartoon Alphabet. 11.30 Gargoyles. 12.40 am Post's Corner.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Bugs Bunny. 11.20 The Adventurer. 1.50 Joanie Loves Chachi. 5.05 Cartoon Alphabet. 5.35 Robin of Sherwood. 11.30 The Master.

BBC RADIO 2

(S)=also Stereo VHF.

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sports on 2 including Football Preview, Racing from Aintree (3.20 Seagram Grand National); Rugby Union: Ireland v England and France v Wales; Football commentary and Sports Report. 6.00 Folk On 2. 7.00 Beat the Record. 7.30 Gala Concert (S). 9.00 The National Big Band Competition All Winners Concert (S). 10.02 *Sports Desk*. 10.05 *Steve Jones (S)*. 12.05 am Night Owls (S). 1.00 Steve Madden presents Nightride (S). 3.00-4.00 Wally Whyton (S).

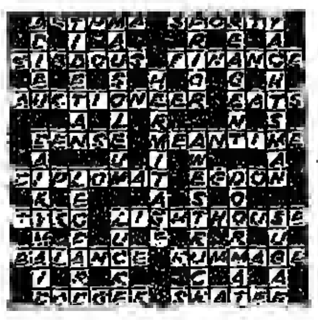
BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.35 Salzburg Festival 1984 (S). (12.05 pm Interval Reading). 1.00 pm News. 1.05 Czech Piano Music (S). 2.00 Otto Klemperer (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Liszt and Chopin (S). 7.25 P. L. Travers. 8.00 British Music, part 1 (S). 8.40 In Ciro's Boat. 9.00 British Music, part 2 (S). 9.40 Percy Grainger and Friends (S). 10.25 *Academy of St Martin-in-the-Fields* (S). 11.10 A Swiss Nocturne (S). 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm Nineteen Ninety-four (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News: The Afternoon Play (S). 3.00 News: Funny You Should Sing That. 3.30 Mysterious Messenger. 4.15 Water, Water Everywhere. 4.45 Bolshoi Tyabinsky No 26. 5.00 Wildlife (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather: Travel. 6.00 News: Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Evening ... 11.00 ...

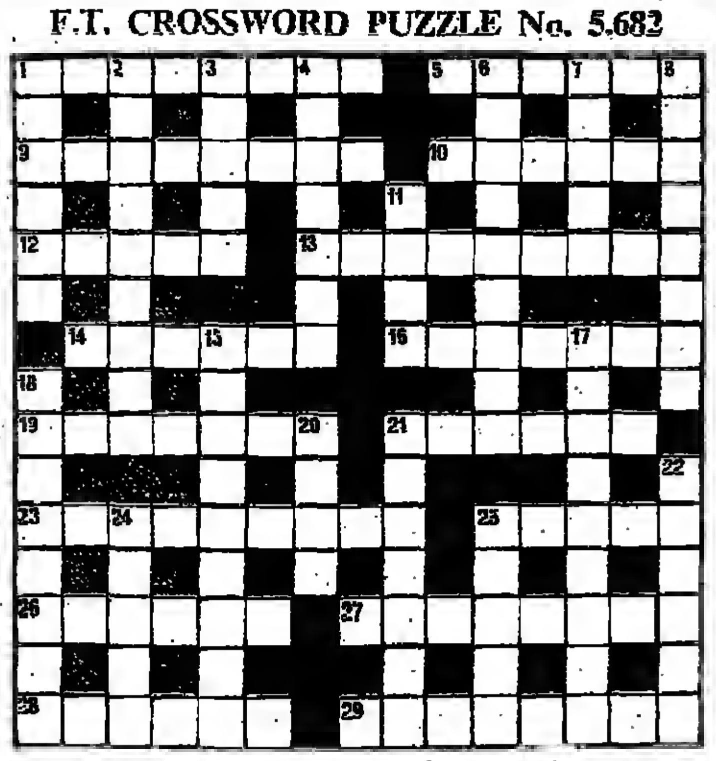
Solution to Puzzle No. 5,681



SOLUTION AND WINNERS OF PUZZLE NO. 5,676

Mrs M. Phillips, 8, Park Road, West Malvern, Worcestershire.
Mr Peter Wild, Hillend Coach House, Church Lane, Whittington, Worcester.
Mr V. W. Goodchild, Appledown, Malahide, Co Dublin.
Mr G. H. Henthorn, 5, Trevone Close, Kutsford, Cheshire.
Mr Henry Corlett, Stroanville, Laxey, Isle of Man.

F.T. CROSSWORD PUZZLE No. 5,682



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

ACROSS

1, 5 Neither arrival nor departure is a problem (4, 4, 4, 2)
9 Don't allow karate without a (former) economic control (4, 4)
10, 12 Protection for chessman on which splendour falls (6, 5)
13 Etymologically jardiniers is another version (9)
14 They are kept for old-fashioned punishment (6)
16, 19 One mother left last home in China to start economic control (7, 7)
21 Confuse junction with corner (6)
23 Gala in old Roman province requires self-help (9)
25 Saviour, as it were, removing the bad things from motorway services (5)
26 It gives news that may be true to the Queen (8)
27 Shoots backwards at bird in water-pipe (4-4)
28 Policeman on strike seems to evade responsibility (3, 3)
29 Boring work for Barnaby in teetotal surroundings (8)

DOWN

1 Joints it's shabby to be out at (6)
2 The one and only Valerie wearing a vest? (9)
3 Persian king upset Portuguese king among hundreds (5)
4 Games in box? (7)
6 Greek king game in the morning, not Latin (9)
7 Dornford, not William Butler as yet? (5)
8 Welcoming attitude to love by writer with a right to writing (4, 4)
11 Tight instrument? (4)
15 Money and treasure's not certain: socially highest is liqueur (9)
18, 21 Popper upper with least correct tie? (8, 7)
20 Raise boast of dress (4)
21 See 18
22 Vulgar exclamation: French call for note (6)
24 French posterior for dowdy woman (5)
25 Vehicle was blue (5)

CHESS SOLUTIONS

Solution to Position No. 561

1 . . . B-N4! If now 2 NxB, R(2)xB ch; 3 K-B1, R-B7 ch; 4 K-K1, RxNP (threat 5...R-R5 ch; 6 R-Q1; N-Q6 ch) when White loses at least the KBP. So White tried 2 R-Q5 (hoping for BxB? 3 RxN!). N-N6! 3 Resigns. If 3 NxN, R(2)xB ch or 3 RxB, NxN or 3 NxB, R(2)xB ch; 4 K-B1, R(K7)-QB7.

Solution to Problem No 561

1 Q-R7. If 1 . . . K-N4; 2 N-K6 ch and 3 Q-KB2 or 3 Q-KN7 according to Black's reply. If 1 . . . K-K2; 2 N-K6 ch and 3 B-R5, 3 Q-KN7 or 3 Q-QB7. If 1 . . . K-K4; 2 N-K6 and 3 QxP, 3 Q-Q4, 3 Q-KN7 or 3 Q-QB7 again according to Black's second move.

UK DIRECTORS' PAY

The rewards of life at the top

By Martin Dickson

Performance-related bonuses have led to dramatic salary increases for Mr John Harvey-Jones of ICI (left) and Sir Peter Walters of BP (right)

"LET'S FACE it," said one London management consultant this week, "there are few subjects as fascinating or as sensitive as the contents of another man's pay packet — especially when it contains several hundred thousand smackers."

The truth of that remark was brought home forcefully this month when ICI's annual report revealed that in 1984 Mr John Harvey-Jones, its chairman, had a 68 per cent rise, from 170,999 to £287,261, with substantial increases for the company's other executive directors. A few days later, it emerged that the emoluments of Sir Peter Walters, chairman of British Petroleum, rose 32 per cent last year, from £183,134 to £241,547, with similar increases for his fellow full-time board members.

The reason for these dramatic increases is the adoption by both companies of a system of performance-related bonuses — a practice which has suddenly become popular in Britain over the last few years but has long been commonplace in the U.S.

The sheer size of BP and ICI means that the cash involved in these bonuses — some £97,000 in the case of Mr Harvey-Jones and £50,000 in that of Sir Peter, —is hardly typical of British industry as a whole.

But while the figures involved may be smaller in other companies, the growing popularity of bonus schemes is helping to reshape the framework of executive rewards in Britain. For the bonuses seem to be producing growing remuneration differentials within individual companies, between key jobs with incentives and those without.

Simultaneously, there appears to be a growing divergence over executives' basic salaries between different industrial sectors and between different companies in the same sector. "The only uniform pattern," observes Hay-MSL, the large management consultancy, "is that there is no uniform pattern."

But why should successful senior executives get such large increases, and how are their rewards determined?

Critics of bonus systems maintain there is something offensive about executives getting such sizeable sums against a background of severe unemployment and management exhortations for wage restraint by rank-and-file workers.

Defenders of the system dismiss this as beside the point. Bonuses, they argue, are an important incentive which will help ensure a company's survival — thus maintaining jobs or creating new ones — and it is right that there should be a link between an individual's performance and his rewards.

"On of our philosophies," says Hay-MSL, "is that reward is a strategic issue. By homing in on the link between remunara and performance at the very top, you communicate something very powerful down the structure."

Whatever the pros and cons, the fact is that there has been a radical shift in British management's attitude to bonuses.

The factors include: the traumas of the 1980/82 recession, which have concentrated management minds on performance as never before; the Conservative Government's market forces philosophy and the ending of an era of pay norms and restraints; and the reduction in the top marginal rate of tax from 83 per cent to 60 per cent, which has made bonuses worth having.

"In the 1960s and 1970s," says one management consultant, "society's emphasis was on equality, and pay was almost seen by managers as a variable over which they had no control, fixed by inflation and government guidelines. In the last five years, remuneration has become a package you actively manage."

There are four main elements to that package:

● The basic salary, where in recent years company directors have been making up some of the ground they lost relative to other employees during the 1970s. According to a survey by Reward Regional Surveys for the Institute of Directors, chairmen's average pay went up by 20 per cent last year, compared to 15.9 per cent for managing directors, 10.6 per cent for executive directors, 6.8 per cent for other managers, and 7.5 per cent for earnings generally. Many companies, however, try to keep basic salary differentials in line. At ICI, for example, the gap between the board and other employees has not changed over the last five years.

● Perks, such as company cars, which have gone out of fashion in recent years but may see a revival following the Budget's changes in higher rate National Insurance contributions.

● Share option schemes, which, like bonuses, have long been common in the U.S. The theory goes that these directly involve employees in the long-term health of the business and shareholders' interests. Hanson Trust, one of the country's fastest-growing conglomerates, shuns bonuses for board members, favouring share options instead. As director Martin Taylor puts it: "We're in the business of improving earnings per share, and share options therefore seem most appropriate."

● Bonuses. A recent survey by the Charterhouse group, based on an analysis of more than 1,000 1984 annual reports, showed that some 46 per cent of UK chief executives were eligible for bonuses, compared to 49 per cent of divisional directors and 39 per cent of senior managers.

Methods of calculating the benefits vary widely, though most are non-pensionable and, in theory, at least, are a one-off reward for a particular year's performance.

Companies usually limit them to a percentage of basic salary —for example 25 per cent in the case of Ocean Transport and Trading, the shipping company, which is just introducing a scheme, and 50 per cent in the case of ICI.

Bonuses are always related to some measure of company or divisional performance, though the yardsticks used vary as widely as profits, return on sales, return on assets or return on shareholders' funds. Many companies also incorporate some measure of individual performance — inevitably more subjective.

Glynwed International, the engineering company, which has run a fairly sophisticated scheme for the past six years, is now planning to relate an element of its bonuses to earnings per share, on the grounds that this gives its share price "internal visibility."

The new emphasis on linking directors' rewards to performance has given much greater importance to the people who decide on the figures. And that, for the vast majority of UK companies, is a sub-committee composed of the non-executive directors (usually joined by the chief executive when his own package is not being discussed).

It is no easy task fixing a rate for the job when that job is unique. Traditionally, companies would take informal soundings in their sector, but increasingly they are relying on income data provided by management consultancies.

Increasingly, too, companies are having to make international comparisons of wage levels. An extreme example of this is the case of Mr Richard Giordano of BOC, the best rewarded chief executive in the UK. Last year he received the equivalent of £771,000, though he is paid mainly in dollars.

Mr Giordano is an American, who previously ran BOC's U.S. operations and still spends much of his time looking after the company's interests there. BOC therefore had to give him an American-style salary — and in the U.S. $1m for a chief executive is now quite common.

BOC apart, however, British salary levels still compare badly internationally. One study suggests that the managing director of a UK company with £100m turnover has a basic salary less than half that of his equals in Germany, Switzerland and the U.S., and well below those in France, Italy, the Netherlands and Belgium, although different standards of living make comparison difficult.

In the U.S. chief executives' income has been rocketing relative to middle management's and much of the blame for this has been pinned on the use companies make of salary data showing the average for their sector. Each company, the theory goes, sees itself as above the average and fixes board pay levels accordingly, setting off a spiralling effect.

True or not, there is as yet little evidence of such a process operating in Britain, where limits on bonus schemes and caution over basic pay differentials are likely to act as a brake.

At the end of the day, do the bonus incentives produce results? Companies which have operated them for some years maintain they do. "It has been very sucessful," says Glynwed. "It has sharpened up management considerably."

Others are more sceptical, pointing out that much of a company's performance can be based on changes entirely outside management control, such as world trade patterns or currency movements.

Certainly there is a degree of inequity built into any bonus system. "But that's tough," says the chief executive of one large company which has just come through a painful rationalisation programme. "People just have to accept that the world is an unfair place." And that, perhaps, is a fitting comment on the more abrasive management style of the 1980s.

Exchange Rates

The dollar, the markets and a touch of vertigo

By Max Wilkinson, Economics Correspondent

AS THE DOLLAR plunged on the foreign exchange markets this week some of the world's leading statesmen have taken on the role of super salesmen expounding the virtues of their economies in a virtual competition for billions of dollars awash in the international markets.

President Ronald Reagan descended on the New York Stock Exchange on Thursday with the message that "the U.S. economy is like a racehorse that has begun to gallop in front of the field."

Most observers believe the mounting U.S. trade deficit ($120bn last year) can only be "cured" by a depreciation of the dollar, but the President said the answer was for other governments to cut taxes and spending "so that they can catch up with our race to the future."

In London, where the pound has risen 6 per cent against the dollar in less than a week on the back of record real interest rates, Mrs Thatcher told the Commons that the underlying strength of the British economy also made it an attractive home for investment.

More discreetly a very senior German monetary official in Frankfurt was extolling the steady growth prospects and low inflation of his country. One could almost hear him add: "Hurry, hurry, buy your D-Marks while stocks last at 32 cents apiece."

In their different ways, these statements all point up an acute set of anxieties about the dollar's slide and its consequences for inflation and growth on both sides of the Atlantic. And, not for the first time, the markets have again been speculating about whether this is the week in which the dollar "turned."

For President Reagan, the worst fear must be that after four years of exporting inflation, the U.S. could start to be on the receiving end, as a declining dollar puts up the price of imports from other currency areas, and perhaps undermines world commodity prices. This could rapidly overshadow the advantages of improved competitiveness to U.S. exporters.

In Europe, the balance of advantage is rather more complicated. A lower dollar will generally ease the pressure on inflation, though it will tend in the medium term to injure growth and job prospects by choking off exports to the United States.

But the European leaders are also anxious about the potential disruption in their own exchange rate patterns if the dollar should fall too steeply. This week, for example, the pound has gained a further 1 per cent against the D-Mark, and is now almost 9 per cent higher against the German currency than it was a month ago — and more or less back to where it was against the D-Mark a year ago.

Since Germany is now Britain's second largest export market after the U.S., this appreciation will be very unwelcome to many companies. But of course it will squeeze the sterling price of German imports, and so help in the fight against inflation, which is once again at the centre stage of British policy.

For speculators, the U.S. is now looking less of a good bet

Although there are good reasons why the dollar should not crash in a wave of panic selling, officials and analysts may be excused a feeling of vertigo when considering the extent of a possible "adjustment." The basic facts are:

● The dollar rose by 70 per cent against a trade weighted basket of other currencies from the autumn of 1980 to its peak at the end of February.

● In terms of the underlying competitiveness of the economy most analysts estimate the dollar is still about 40 per cent overvalued. If they are right, this might suggest a rate of around $1.60 to $1.70, its value in the second half of 1982, in sterling terms.

● The U.S. deficit on trade in manufactured goods continues to widen alarmingly. It reached $11.5bn in February after a further fall of 9 per cent in the value of exports in only one month.

● The huge U.S. current account deficit — expected to reach about $150bn this year— matched by enormous borrowing from abroad—means that the U.S. will this year be a net debtor for the first time since 1917. On present trends it will be the world's largest debtor nation in two years.

In the past few days the foreign exchange markets have brought these "fundamental" considerations into a sharper focus alongside a general anxiety about the health of the U.S. banking system in Ohio, Texas and elsewhere; the renewed difficulties of large debtor nations, particularly Argentina and Brazil; and the latest (somewhat fragmenting) evidence of a slowdown of U.S. growth.

Even for those speculators who are just chasing short-term interest rates around the global screens, the U.S. has looked less of a good bet this week. With three month Treasury Bills yielding 8½ per cent and long-term bonds 11¾ per cent, the advantage has now swung back in favour of the UK, particularly if a reasonably optimistic view is taken of sterling's prospects. This is partly because of a general presumption that the U.S. authorities will be inhibited from raising interest rates while the banking problems continue.

For all these reasons the general feeling among London analysts yesterday was that the dollar *may* at *last* be on his way down again, though there will almost certainly be some bumps and surprises on the way.

Professor Alan Budd at the London Business School's Centre for Economic Forecasting says the speculative bubble which buoyed the dollar in January and February seems to have burst, perhaps partly because of the $11bn spent on intervention by central banks this year, but more because of a general change in market sentiment.

Mr David Morrison, an economist at the broker Simon and Coates, believes that this has meant that new investment is tending to go into sterling or, to a lesser extent, the D-Mark. But he notes that there is little evidence yet of major investors trying to get out of the dollar.

New York analysts have tended to be more sceptical about whether the dollar has decisively changed direction. Even after the recent falls, the currency remains at a high level. On a trade-weighted basis, it is still above its level at the beginning of the year. It is also 12 per cent above its level in January 1983, when officials in central banks and Treasuries throughout Europe were pre-occupied about how to react to the imminent fall of the dollar.

Weekend Brief

High-flyer goes steaming ahead

THE ARCHAIC is about to come to the aid of the arcane. Circuitry from the Age of Steam is to be re-employed on a large scale to help transform the City of London into the world's foremost centre of hi-tech business communications.

Two companies are at the heart of the exercise: Mercury Communications, the jaunty new competitor to British Telecom, and the London Hydraulic Power Company (LHPC), set up in 1971 to operate lifts and other machinery in the capital including, at one time, Tower Bridge.

Mercury prides itself on being at the forefront of communications technology. It is active in the provision of infrastructure for computer-based information networks and aims to give BT a run for its money in the soon-to-be-lucrative market of international video conferencing.

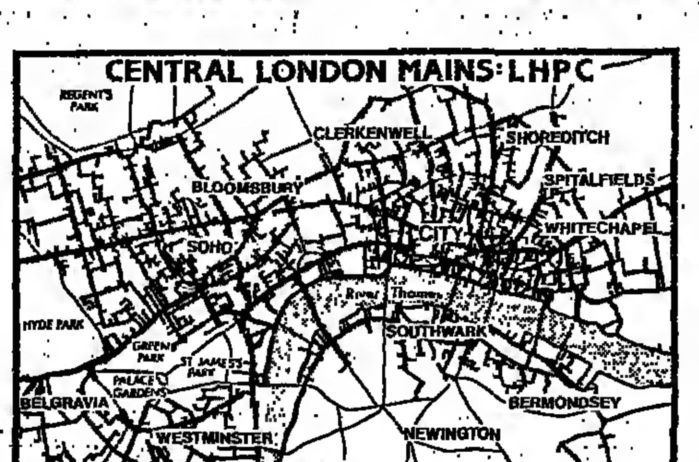
The LHPC, by contrast, enjoyed its beyday in the period before World War I and was already obsolete decades before it finally ran out of steam, in 1979. Its dense, 184-mile long network of pipes and ducts under London's streets was, like many other Victorian undertakings, ingenious and robust. Water power, however, gave ground quickly to electricity, so that the LHPC became an anachronism much in the manner of the canals. The idea was good; it just ran out of time.

What links Mercury and the LHPC across the 110 years that divide their respective foundations is that extraordinary underground network, 150 miles of which remain viable.

Mercury — which was granted its initial licence to operate as a telecommunications carrier only in 1982 — is addressing itself primarily to organisations with *substantial information* handling needs. It wants to be able to link up, via digital technology, customers at home and overseas whose need for communications systems is out of the ordinary. The market is growing fast. Fibre optics are required for maximum efficiency and in the UK, the core of the operation is the City of London.

But here was a problem. Mercury already had a basic trunk network extending along railway lines and other conduits as far north as Liverpool and Leeds. But how was it to instal a complete new network of fibre optic cables in the City, and contiguous parts of the West End and the South Bank, without ripping up hundreds of miles of streets?

Not only would the cable-laying operation cause widespread dislocation, it also would be immensely costly and involve technical and engineering problems of great complexity. "Weyleaves" to dig would have to be secured and other pipelines, belonging to BT, South East Electricity, Thames Water and British Gas, avoided.



The London Hydraulic Power Company's network could have been designed for the purpose. Scarcely a street or alleyway in the Square Mile is not served by its pipes and ducts. Most of the West End is similarly covered (Harrods and the London Palladium once were customers), while the South Bank, with its growing number of prestige office blocks, is also included, linked to the north by an exclusive tunnel alongside Tower Bridge. As an added bonus, the pipes' even extend into London's docklands, close by where Mercury has constructed its vital satellite earth station.

Buying the network was plainly worth a lot to Mercury; yet the actual cost was just £3.5m, paid to N. M. Rothschild, which had prudently bought up the LHPC for £1.5m after pumping finally was shut down.

The next step, already under way, is fitting the optical fibre cables into the pipes. Varying from 4 ins to 10 ins in diameter and averaging 8 ins, the pipes themselves are, for the most part, in excellent condition. Some repairs and re-lining are required, according to Mercury, but little that should hold up progress.

Junction boxes will then be required at some 300 sites throughout the city, from which cables will be taken into individual buildings. Thirty have been installed so far, and notices telling the public what is going on under their feet are likely to become commonplace over the next year.

John Stocker, the project manager and managing director of the revived LHPC, claims that Mercury already has proved its civil engineering capacity through the work it has carried out so far. The first customer to use the new network will be operational by September 1, and a further 200-300 are expected to come on stream within 12 months.

Banks, insurance companies, dealing houses, international companies and providers of information on screens (such as Reuters) are all confidently forecast as customers. The Stock Exchange already has signed up. The target, according to Sandy Skinner, corporate communciations manager, is 12-15 per cent of all telecom activity within two square miles of St Paul's, with an emphasis on hi-tech links benefiting from fibre optic connections.

British Telecom, for which Mercury retains the utmost respect, is not, of course, taking all this lying down. It has plans for its own fibre optic network and already is supplying some of the most up-to-date equipment available to its customers.

The former state-owned giant is, however, at a partial disadvantage in this particular race because of the sheer size of its investment in existing cable technology. As the owner of hundreds of thousands of miles of conventional copper-wire and co-axial cables, it is not in a position to make quick transfers. Mercury, which is going for a specialised market in a limited area, has no such limitation.

Acquisition of the London Hydraulic Power Company will not place Mercury alongside BT in the communications business in Britain. It should, though, help to ensure its success in an important sector in a key location for world financing. The Victorian builders of those 184 miles of cast-iron and steel pipes would be astonished.

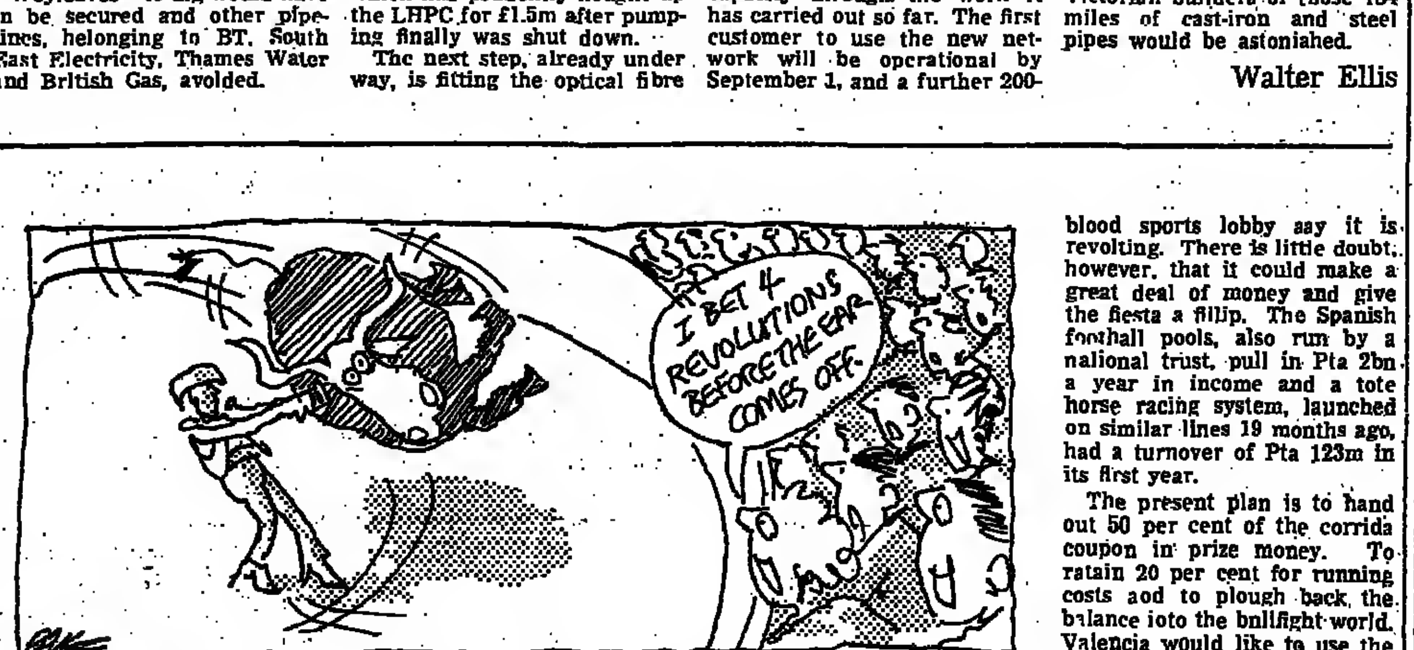
Walter Ellis

Spain, where they're all ears

THE DONE thing at a bullfight, if the matador has excelled himself, is to wave a handkerchief. A lot of waving handkerchiefs among the crowd will earn the matador the trophy of an ear of the bull he has just slain and this will then be paraded triumphantly around the ring.

Sustained handkerchief waving will ensure that the matador is presented with both ears. If things go according to plan by July, when the corrida season is in full swing, aficionados will be waving with one hand and grasping a pools coupon in the other. Spain's blood and sand ritual is all set to hit the high street betting shops.

A trust, formed by matadors, bullring impresarios and breeders, has been created to oversee the bullring bets and the executive secretary of the 1982 football World Cup, which was staged in Spain, has been signed up to launch the novel pools. All that it needed now is the Government green light.



Victoriano Valencia, once a law student, then a matador of some distinction and now a successful impresario, is a chief promotor of the project and is certain it will get off the ground. Valencia and his trust colleagues went straight to see Deputy Prime Minister Sr Alfonso Guerra. "He told us he couldn't understand why the idea hadn't caught on sooner," said Sr Valencia happily *after* the meeting. The Deputy Prime Minister, like the Prime Minister Sr Felipe Gonzalez, was born in Seville, the capital of the bullfight world, and both politicians reckon themselves to be above average aficionados.

In a nutshell the punter will have to guess the number of ears that are cut. Following the pattern of 14 games on the Spanish football pools coupons, 14 matadors fighting in different Sunday *afternoon corridas* are selected and the idea is to guess on the performance of each matador. As Valencia and his colleagues explain it, the punter has a choice of filling in a zero, meaning no ears (a home win for the bull presumably), a one which is equivalent to one ear (a draw perhaps?) and a two for the comparatively rare event when the matador collects both trophies.

Tauromachy purists say the project is scraping the barrel of commercialism and the anti-blood sports lobby say it is revolting. There is little doubt, however, that it could make a great deal of money and give the fiesta a fillip. The Spanish football pools, also run by a national trust, pull in Pta 2bn a year in income and a tote horse racing system, launched on similar lines 19 months ago, had a turnover of Pta 123m in its first year.

The present plan is to hand out 50 per cent of the corrida coupon in prize money. To retain 20 per cent for running costs and to plough back the balance into the bullfight world, Valencia would like to use the money to promote aspiring matadors by subsidising bullfight schools and to improve the breeding stock on the ranches.

Cash will also be available to provide immediate assistance should the better bred bull overcome the well schooled matador. Last season one of Spain's top bullfighters was badly gored in an out of the way pueblo and died in an ambulance before he could be adequately treated.

Tom Burns

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.50	8.50	8.75	Seven-day account
			9.25	Higher interest acc. 90 days' notice or charge
			6.25-8.75	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	8.25	9.25	9.50	7 days' notice. Immed. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			10.00	Bank save. Balance of £2,500. Current account
Anglia	8.25	9.25	10.00	3-year bond. No notice, 3 months' penalty
			10.00	Capital share. No notice, 1 month's penalty
			9.75	Instant Gold. Annual int. No notice or penalty
Barnsley	7.50	9.25	9.50	2-year termshare—3 months' notice
			9.15	Special investmt. share/monthly income share
Bradford and Bingley	8.25	9.25	10.00	Premium access. On demand, no pen. £1,000+,
			10.25	High income. 3 months' notice or 90-day pen.
Bristol and West	7.50	9.50	8.50	Plus a/c £1,000+. No notice. No penalty
			9.45	£20,000+, 9.20 £5,000+, 8.95 £1,000+, 7-day, notice Triple Bonus. Also Monthly Income
Britannia	8.25	9.25	10.15	28 days' notice £10,000+
Cardiff	9.75	9.85	10.25	90 days' not. Penalty if balance under £10,000
Catholic	8.55	9.55	10.05	Extra share, £5,001+ 10.30, 30 days' notice
Century (Edinburgh)	8.85	—	9.30	Guaranteed rate 2/3 yrs. (or variable account)
Chelsea	8.25	9.25	10.55	Immed. withdwl. int. pen. or 3 months' notice
Cheltenham and Gloucester	—	9.25	—	Gold. No notice. No penalty. Under £1,000, 8.25; £1,000+ 10.25
Citizens Regency	8.25	9.75	10.00	7 days, 10.00 1 month, 10.25 3 months
City of London (The)	7.75	9.00	9.50	3 months' notice—no penalty—monthly income
			9.20	21 days' not. Im. access for amnts. over £10,000
Coventry	8.25	9.50	10.50	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. Moneymaker inst. acc. no pen. 10.30 £20,000+, 10.05 £5,000+, 9.75 £1,000+ monthly inc. opt.
Derbyshire	7.50	8.75	9.50	2 y., 3 m. not. with pen. 8.75 no ot./pn. m. inc.
Gateway	7.50	9.50	9.00	Gold star £1,000+. No notice. No penalties. Monthly int. £5,000+ 9.38 if added to account
Greenwich	8.25	—	10.25	90-day account (no notice account 9.50-10.00)
Guardian	8.50	—	10.60	6 m. not. (£1,000 min.) easy acc. bal. £10,000+
Halifax	7.50	8.50	8.75	7-day Xtra, 7 days' notice, no penalty
			9.00	28-day Xtra, 28 days' notice, no penalty
			9.25	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.50	8.75	9.25	90-day notice, 8.75 5-day notice
Hemel Hempstead	8.25	9.75	10.50	90 days. 10.25 60 days. 10.00 28 days
Hendon	8.00	—	9.50	7-day account, minimum £500
Hinckley and Rugby	8.25	11.55	10.35	90 days' notice or loss of interest
Lambeth	8.40	9.50	9.90	7-d. a/c, 10.60 Magnum a/c 6 wks.+loss of int.
Leamington Spa	7.60	—	9.10	Spa mthly. income, no not., no pen. £5,000 min.
			9.75	High flyer, no notice, no penalty, £10,000 min.
			9.65	Supershare, no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	8.25	10.00	10.00	Monthly int., 10.15 28 days' not., 10.25 90 days' not. or pen., neither if £10,000 still in account
Leeds Permanent	7.50	9.50	9.75	Liquid gold. No not. no pen. (9.00 on bal. of £2,500+) HRAS 10th issue 9.25 3 months' not.
Leicester	8.25	9.25	9.60	£500+ im. wdl. no pn. 10.51 c. m. 1 yr. £2,000+
London Permanent	8.00	—	9.50	60 d. not. or imm. wdl. nn pen. if bal. £7,500+
Midshires	8.25	—	10.50	2 yr. term. 2.25% diff. guaranteed. 3 m. notice or pen.
Mornington	*9.05	7.80	9.05	£2K. 9.25 £2K+, 9.35 £10K+, 9.5 £20K+ *£2K—
National Counties	†8.55	9.80	10.55	90 days' notice, no penalty. † £1,000
National and Provincial	8.25	9.25	10.25	APEX (+2% gtd. 3 yrs.) Im. wdl. 60 days' pn.
			10.00	90 days' notice/pen. unless bal. stays £10,000+
			9.75	28 days' not., 9.50 7 days' not./penalty as above
Nationwide	8.25	9.25	10.00	Capital bonds. 3 yrs., 90 days' notice/penalty
			10.00	Bonus-90, 90 days' notice/penalty
			9.75	Super bonus, 28 days' notice/penalty
			9.50	Bonus-7, 7 days' notice/penalty
Newcastle	8.25	9.60	10.05	60 days' not.; 9.75 28 days' not.; 9.25 7 days' not. On demand by arrangement
Northern Rock	7.50	9.75	9.50	Moneyspinner plus £20,000 or more
			9.25	Moneyspinner plus £5,000 or more
			9.00	Moneyspinner plus £500 or more
Norwich	7.50	8.75	9.05	7-day share monthly income option
Peckham	8.25	—	9.25-9.75	imm wdl. if over £2,000. Monthly income
Peterborough	8.25	9.55	10.25	Flexi-plus 80 days' notice monthly income
Portman	7.50	9.25	9.10	Flexi-plus. Minimum £500. No notice imm. wdl.
			9.50	Prem. Min. £500. 2 months' notice. No penalty
Portsmouth	8.40	9.90	10.55	3 yrs., 10.35 90 days, 10.10 30 days, 9.80 7 days
Property Owners	8.75	10.25	10.55	3 mths., 10.25 6 mths., 10.10 29 d., 10.00 im. ac.
Scarborough	7.50	8.75	9.50	2-yr. limited share, 1.75 guaranteed differential
Skipton	8.25	9.50	10.35	Sovereign £10,000+ instant access—no penalty
			10.00	Svrgn. £500-£9,999 mthly. inc.—min. inv. £2,500
Strond	8.25	9.50	10.75	2-year term; notice accounts with monthly income option 10.05 90-day, 9.80 28-day
Sussex County	8.25	9.70	9.50	7-day, 9.90 Sussex high, 10.30 90-day
Sussex Mutual	7.75	9.00	9.15	Over £5,000, imm. wdl. Under £5,000, 7 d. not.
Thrift	7.60	—	8.60	3-year term. Other accounts available
Town and Country	8.25	—	10.50	7% moneywise chq./Visa Int. varies with bal.
			10.50	3-year term. Monthly income. £1,000
			9.75	Supershare. Immediate withdrawal no penalty
Wessex	9.35	—	—	No notice—no penalties—minimum invest. £1
Woolwich	8.25	—	9.75	Prime—no notice, no penalty, minimum £500
			9.75	Monthly income shares, 28 days' notice
			10.00	Capital, 90 days' notice/penalty
Yorkshire	8.25	9.25	10.00	Diamond key, 28 days' notice or 60 days' pen.

New rates above effective from April 1 1985.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Janet Marsh on a threat to Brighton Pavilion

The accountants step in

GEORGE IV, that plump autocrat, voluptuary and collector, might not have been this country's best-loved monarch, but he did bequeath to 20th-century Britain two of its top tourist attractions: the romanticised pile of Windsor Castle and the soaring fantasy of Brighton Pavilion.

Fashion is fickle. There was a time when the pavilion was dismissed as a harmless joke. Today, it inspires affection and wonder in equal parts. The cumulative effort of a succession of architects and of many years, it now appears in a surprising homogeneity as the supreme architectural expression of exoticism. John Dinkel, the pavilion's best chronicler, speaks felicitously of "the forces of imagination which George IV had unleashed."

The pavilion now is a national treasure, revered internationally—which makes it anomalous that it has for 135 years been subject to the ownership and caprices of a local council. To be fair, the Brighton councillors generally have fulfilled their stewardship handsomely, as the present extensive restoration of the roofs testifies amply.

It is true that there have been worrying moments in the years since Brighton bought the pavilion from Queen Victoria for £53,000. Victorian refurbishments did not improve it; nor did its patriotic use as a military hospital during World War I — except that the revival of royal interest in the restoration and refurnishing of the place was a direct outcome of this episode. In 1935 there was a movement to demolish the building in the interests of "modernity"; while a post-war council felt it should be left in its Victorian decay. More enlightened views prevailed; and the untiring work of two inspired directors and their specialised staff over almost 40 years has restored the pavilion to its Georgian brilliance.

Now, however, the pavilion and its associated art gallery and museum are facing their most serious threat, according to a letter just circulated by Lord Briggs as chairman of the Friends of the Royal Pavilion. His co-signatories are Sir John Barnes and Geoffrey de Bellaigue, Surveyor of the Queen's Works of Art.

Thirteen years ago, Lord Clark of Saltwood warned: "There is a very real chance that a building like this could fall under centralised and bureaucratic control, and I know what a disaster that could be."

Lord Briggs writes: "That disaster now appears to be upon us, and at a time when the opportunities offered by the current large-scale restorations to the Royal Pavilion, and by the sophisticated and expert work done within it, are greater than ever before."

The threat has arisen innocently, no doubt. Brighton Council, seeking means of making economies, consulted the oracles of our time, the accountants. The august firm of Price Waterhouse duly reported, and included in its considerations the pavilion, art gallery and museum. It concluded, a little patronisingly: "The present director of the Royal Pavilion has obviously done a superb job in restoring the pavilion to its original Regency splendour, and this work is well advanced. What is needed now is an entrepreneurial approach to exploit this asset by attracting more visitors."

Its recommendation is, therefore, to abolish the posts of director and deputy director and hand over the department running the pavilion to a Director of Tourism, Conferences and Entertainments, who "should perhaps be a businessman or impresario on a short-term contract." Such a fellow, Price Waterhouse is sure, would raise the annual gate to half a million visitors, and increase the income from franchising by £100,000. The figures are round and reassuring, but the methods of attaining them are left somewhat vague.

It is easy to sympathise with the indignation of the staff and the Friends of the Royal Pavilion, and, equally, to believe their charge that the study of the department was the result of only three one-hour interviews. The recommendations betray no awareness whatsoever of the special nature and problems of a museum and national monument, but treat the building as if it were just an over-decorated typing pool.

Lord Briggs and his co-signatories believe that an organisation such as that proposed "would reduce public trust, indispensable to its financial support, and destroy a delicate system of checks and balances which has allowed such remarkable progress to be made."

Most galling to the present staff is that Price Waterhouse has commented on the inevitable fall in admissions during the present restoration period, without pointing out that the pavilion still stands at eighth place among the most-visited historic houses in Britain; while recorded average growth in normal years would, in the normal course of events, achieve the mystical half-million figure by 1990. Nor do the accountants mention that their plans for extending franchising coincide with those already presented by the pavilion director, but shelved by the local council, for four years.

The present administration of the pavilion and museums is a record of unqualified success; and to tamper with it could bring only disaster. The council's past record at least encourages the hope that this time, also, it will restrain itself from committing an irredeemable folly.

Meanwhile, at a time when the building itself is shrouded largely in the builder's sheets, there is no better reminder of the glories of the Pavilion than John Morley's recent *The Making of the Royal Pavilion Brighton* (Sotheby, £47.50), a sumptuous collection of all the known original designs for the palace. It should be read in conjunction with John Dinkel's complementary *The Royal Pavilion Brighton* (Scala/Philip Wilson), written charmingly, illustrated grandly, and rather cheaper at £9.95, or £4.65 paperback.

Riposte!. The Pavilion staff analysis . . .

Alan Forrest on Grand National fever

The race that the punters love

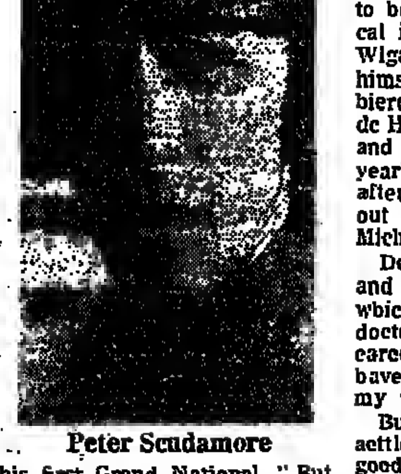
WHY DO all those people who never get closer to a horse than a donkey ride on the beach rush to the betting shops on a March Saturday convinced that though Dame Fortune may not smile, she won't exactly give them a kick in the tender parts?

It isn't as if the Grand National is the best jumping race. The experts prefer the Cheltenham Gold Cup where the horseflesh is better, the Cotswold setting lovely and that uphill finish fearsome. Few inferior horses win the Gold Cup: inferior horses have won the National and will continue to do so.

But the National is a legend. There's the Aintree course itself, 4½ miles of hard graft with large problems like Becher's, Valentine's and The Chair on the way. It is a fantastic test of horses and men (sorry, horses, men and women nowadays). As the minutes tick by to 3.20 today, white-faced jockeys will sit quietly in the changing room.

Former champion jockey Dick Francis, now a best-selling writer of thrillers, has described the scene vividly: "The atmosphere is electric. You sit in the changing room and wait. You have no heart for the chatter and jokes of ordinary race days. Rows of silent jockeys sit on the benches."

There are churning stomachs, and looks of pure hate among one of sport's most friendly thought the long unpleasant wait was just an experience of his first Grand National. "But I felt the same every year afterwards. You never get used to it."



Peter Scudamore

To look at all the race's legends would take hours. Francis himself is one of them — to be looking a certain winner in the run-in from the last fence, only to have the Queen Mother's Devon Loch collapse under him a few steps from the winning post.

There was the year a no-hoper called Foinavon won at 100-1 because it was one of the few finishers after a day of carnage over the jumps.

What about this year's race? My sucker bet—forecasting the first three—is going on Hallo Dandy (last year's winner), Corbiere and Greasepaint.

The wonderful unpredictability of the National has been seen again this year—injuries to horses, jockeys failing medical inspections, writes Dominic Wigan. Peter Scudamore finds himself unexpectedly on Corbiere (1983 winner) after Ben de Haan gave up the fitness fight and Graham Bradley rides last year's winner, Hallo Dandy, after Neale Doughty was ruled out by Jockey Club doctor Michael Allen.

Doughty was almost in tears and attacked the system by which the decision of only one doctor "could be a blow to my career." He said: "I don't even have to take a pain-killer after my fall at Worcester."

But later, after the dust settled, he said: "Graham's a good friend. I'll tell him all I can about the old horse. By the time I've finished with Graham, he'll know as much about Hallo Dandy as I do.

Year by year, happenings like this show the National as not so much a horse race, more a slice of life. Those of us who love it never believed it would die, even back in the days when Mirabel Topham was being unpredictable. The news that Seagram, the drinks company, is to continue its sponsorship raises our spirits.

Books: William St. Clair

Shakespeare's Labours Lost

IT WAS not until the time of Dr Johnson that poets were regarded as worthy subjects for biography. If John Donne is an exception, he was a dean of St Paul's. When William Shakespeare died in 1616, he was already famous. But nobody sought out his friends and contemporaries to ask for reminiscences. The documents were soon destroyed or scattered; and when people eventually began to ask about his life, it was impossible to supply much of an answer.

More is known today than at any time since the 17th century. Samuel Schoenbaum in his *Documentary Life* has collected all the genuine primary sources which have been brought to light in 200 years of careful scholarship. They are now surprisingly numerous—entries in parish registers, records of investments and litigation, a few near-contemporary anecdotes, as well as the will that bequeathed the puzzling second-best bed to Anne Hathaway.

But if the main outlines of Shakespeare's career are now firmly established, there can never be a biography in the modern sense. Since there is almost nothing personal to go on but the poetry itself, we are left with the tantalising generalisation that Shakespeare must have been the wisest man that ever wrote.

His colleagues, John Heminges and Henry Condell, who prepared the First Folio of 1623, evidently realised the heavy responsibility they carried. It would have been far better, they remark in the Preface, if the author himself had lived to publish his own works. But since events ordained otherwise, readers are begged not to be over-critical of the painful and difficult work of collecting Shakespeare's plays and editing them for publication. In one important respect, they admit, their work as literary executors was rendered easy. "His mind and hand went together. And what he thought, he uttered with that easinesse that wee have scarse recieved from him a blot in his papers." The world's greatest poet evidently had neat and tidy handwriting.

The First Folio is the only source for 18 of the plays and provides a superior text for most of the other 18. It also includes one of the only two undoubtedly genuine portraits of the poet. This edition of Shakespeare is the most important printed book of the English-speaking world.

The copy which belonged to the American song-writer Paul Francis Webster ("Love is a many-splendored thing") is to be auctioned at Sotheby's in New York on April 24 and is expected to fetch several hundred thousand dollars. When I looked at it in London, I noticed a bookseller's price pencilled on the end paper. The book was sold for one pound five shillings in an earlier century.

The publishing of the First Folio was from the first regarded as a high-risk investment, and it took time for boldness to be rewarded. A Second Folio, a reprint of the first, is dated 1632, but was probably produced later. The Third Folio, dated 1664, also included Pericles, a play whose relationship with Shakespeare is uncertain, as well as six other plays which are undoubtedly not by him. The Fourth of 1685 has no independent textual authority.

Copies of the later Folios are also due to be auctioned at the Webster sale, and Sotherans of Sackville Street in London have a few in stock.

The records of the Bodleian Library note the purchase of a copy of the First Folio when it came out. When the Third Folio was published, a cost-conscious librarian keen on stock-control disposed of the superseded edition, in an action to be compared with that of the base Indian who threw away a pearl richer than all his tribe. In 1905, however, an undergraduate brought in an old book for advice. It was identified as the original Bodleian copy by the binding, and repurchased for the library.

Heminges and Condell are as elusive as Shakespeare. They evidently spent most of their lives in the parish of St Mary Aldermanbury in the area behind Guildhall in the City of London, since the parish registers note the baptism of a total of 23 Heminges and Condell children as well as their own burial. The church itself has been removed stone by stone to the United States, and the memorial to the two men in the churchyard is scarcely worthy of their achievement. Their real monument is a few hundred yards away in the Barbican Theatre, where the Royal Shakespeare Company constantly renews the miracles which they helped to preserve.

Burghley treasure

Antony Thorncroft visits an Elizabethan mansion

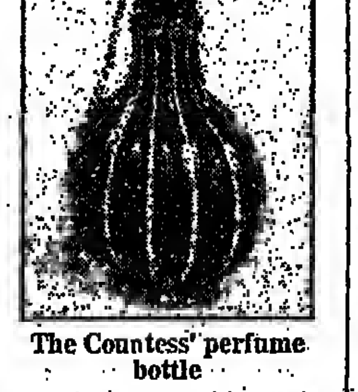
ON MONDAY, Burghley House near Stamford opens its doors for the season. It is one of the finest Elizabethan houses in the country, built quickly between 1555-87 by William Cecil, Queen Elizabeth's chief minister, and remaining in the possession of the senior branch of his family ever since. (His younger son founded the Salisbury Cecils, and Hatfield House.)

Just before the death of the sixth Marquess in 1981 (the family were given the Marquisate of Exeter in 1801 to keep them in line with the Marquisate of Salisbury awarded to the junior branch) Burghley was formed into a trust which runs the house and strains to maintain it.

Rather than bring in an outside manager the trust appointed Lady Victoria Leatham, a daughter of the sixth Marquess (the Lord Burghley of Olympic fame) to run the house. She has taken on the task for 15 years—there are 12 to go—and combines a family love for the old home with the business acumen needed to keep such an expensive pile upright. Revenue comes from the surrounding land, both agricultural and in Stamford town, and from visitors—55,000 last year. Expenditure goes on slowly repairing the ravages of time and coping with sudden emergencies, such as collapsing ceilings.

To entice the public, Lady Victoria has begun an annual series of specialist exhibitions built around Burghley's collections. This year it is entitled "The Countess' Gems," because the objects on view came to Burghley through a marriage with Ann, a daughter of a rich Earl of Devonshire, who inherited from her mother in 1689 all the contents of her private apartments at old Chatsworth.

It must have been a great day for Burghley when the carts arrived with the furniture and fittings. An inventory was taken in 1690, and the items now on view can be checked against the original descriptions. But what gives the exhibition special piquancy is that the "Gems" were disregarded for centuries, disappearing inside cabinets, or consigned to vaults, and have only recently resurfaced. They are now recognised as the nation's finest collection of "treasury" pieces, the forerunners of objects of vertu.



The Countess' perfume bottle

In the 17th century, and later, a rich landowner might hand around for his friends' diversion after dinner small objects made of semi-precious stones, not always serving any useful function, but showing off the skills of the jewellers and the craftsmen of the age. So the Countess' gems are not jewels exactly, but the finest baubles imaginable.

They are rich men's playthings, pretty pieces which proclaim wealth and taste.

To hold decay at bay, Lady Victoria has to involve herself with national life. Her latest scheme is to repair the books in the library and great hall, which are in a sorry state. She is negotiating with American Express to pay for the work: in return they will enjoy the prestige of taking the Burghley early export porcelain on show around the world. Burghley is also giving more than any other British house to the Treasure Houses of Britain exhibition in Washington in the autumn. Only by proclaiming the attractions to the world of an old mansion in a remote part of the country can Burghley survive.

Jacqueline Shorey on the attractions of rowing

Why women stick their oars in

AT 2 O'CLOCK tomorrow afternoon, the annual University Boat Race will be under way, with Oxford hoping to break Cambridge's run of three successive victories. This is not the virile TV spectacular from Putney to Chiswick, but the women's Boat Race, rowed at Henley.

The two major events in the rowing calendar which achieve any media coverage are the University Boat Race and Henley Royal Regatta. Both are male dominated. The only women seen to be participating in the sport are female coxes—Sue Brown and this year Henrietta Shaw in the Boat Race. At Henley, amid the Pimms and skirts-for-ladies rule, there are no women's races. The "Ladies' Plate" is a misnomer.)

This hardly reflects the nationwide participation by women. All but the most male chauvinist clubs have opened their doors to women, as more and more women want to row.

The two essentials if you want to take up rowing apply equally to men and women. You must be able to swim 50 metres, and you must have access to water. To find out about local clubs you should contact the Amateur Rowing Association which will put you in touch with your divisional representative. The association will also recommend clubs which cater for beginners.

Club membership costs between £20-£60 a year and includes use of boats, coaching and often the use of a gym. If the club has to hire a gym, there may be a small extra charge.

Rowing is perfect exercise in itself but most clubs will encourage members to train in the gym to develop fitness and strength. Clubs will always let you have a free trial session, if not in a boat, then in a rowing tank to give you the feel of the water, and an idea of the basic technique. Your first outing will probably be in a pair or four, with at least one other experienced oarsperson on board to tell you what to do. The single person sculling boat is not usually issued to beginners, being less stable than a larger boat, but it is the ideal craft for those who prefer to exercise alone, or whose timetable makes crew rowing impossible.

You won't have to buy any special equipment, nor trendy clothing—rowers are a motley crew who put on layers of assorted warm clothing, which can be peeled off as they warm up. Wellies are recommended for getting in and out of boats.

You will quickly master the basic technique—but becoming a good oarsperson takes long hours on the water. In winter, lack of light will restrict outings to weekends but as the days lengthen you will discover the delights of early evening paddles—the perfect way to wind down after work—and the pleasure of escaping to the river on a hot sticky day.

Rowing is a sport for all, whatever your age, size, sex or ambition. It is an excellent form of all-round exercise. The winter outings are over long distances, building up endurance and strength and provide a perfect form of aerobic or uninterrupted lung-bracing exercise. The long head of the river races held during the winter and spring reflect this training. This is the preparation for the regattas in the summer, over shorter distances, when speed is vital, and the body switches to anaerobic respiration.

You don't have to be a youngster to take up rowing. There are junior, senior and elite categories, and mature oarsmen and women are usually referred to by the more genteel title of veteran. One becomes a veteran at the ripe old age of 27, and there are six veteran age groups, up to the over-60s. There are also lightweight categories for both men (under 72.5 kgs) and women (under 55 kg) so you don't have to be colossal to row.

Crews are also graded according to experience and success—a complete beginner or a crew which has not won an open race is classified as novice. Losing one's novice status (by winning one's first "pot" or prize) is sometimes the most difficult and often most memorable achievement in rowing.

If you are rowing purely for exercise or even just for fun, and the idea of competition doesn't appeal, there is nothing to stop you remaining a novice, but as technique, fitness and strength improve, and the crew spirit develops, and as the sun comes out few can resist the lure of the race.

CONTACTS

- **Amateur Rowing Association (ARA), 6 Lower Mall, London W6 9DJ. Tel: 01-748 3632.**
- **Scottish ARA, 46 Churchill Drive, Bridge of Allan, Stirling FK9 4TJ. Tel: 0786 833029.**
- **Welsh ARA, 30 Lady Mary Road, Cardiff CF2 5NT. Tel: Cardiff 754250.**
- **Coastal ARA, 5 Harris Road, Newport, Isle of Wight.**

EVENTS

- **Saturday March 30. Head of the River Race (Mortlake-Putney) 10.15 am. (The start of this race—chaos at Mortlake—is more fun to watch than the 'processional' finish.)**
- **Sunday March 31. Women's University Boat Race (Henley) 2 pm.**
- **Saturday April 6. Boat Race (Putney-Mortlake) 2.45 pm.**
- **July 4-7. Henley Royal Regatta.**
- **July 19-21. National Rowing Championships (National Water Sports Centre, Nottingham).**

CHESS

LEONARD BARDEN

LISTS ARE taking shape rapidly for the 1985 world title inter-zonals, part of an elimination series that will produce a 1986 challenger for Karpov or Kasparov. There will be three tournaments, each of 18 players and each qualifying four winners for the candidates stage. Dates and venues are Tunis, starting April 25, with Tony Miles as fifth seed; Biel, Switzerland, from June 30; and Mende-Taxco, Mexico, also at the end of June, where John Nunn will be seeded second.

So far, FIDE has announced only allocations for the top seeds so it remains unclear where the 19-year-old British champion, Nigel Short, will compete. Short's published rating of 2,535 would make him only around the No 10 seed in any of the interzonals; but his recent form is so good that he will have a real chance to qualify. Following his remarkable 7—1 match victory over U.S. champion Alburt, Short finished second at Lugano, the strongest open event in Europe; and with all his latest results included, he would be ranked in the world top 20.

The marathon Karpov-Kasparov world title series, and its planned rerun in September, could prove an awkward stumbling-block to FIDE's tight schedules for the new series. Kasparov is sure to start favourite and, if he wins, Karpov is then entitled to a "revenge" contest. But that would need to be scheduled in spring 1986, precisely at the time that the loser of the 1985 K v K contest is supposed to be playing in a new round of challenge matches! FIDE's logistics seem faulty.

Zonal tournaments normally produce tight, loss-avoidance strategy. Players eschew invention and originality in the search for qualifying points. But in this week's game, taken from the USSR zonal at Riga, both grandmasters had dropped out of serious contention early, so they could afford a battle of tactics. The veteran Efim Geller, several times a world title candidate, shows that his combinative vision remains sharp at age 60.

White: V. Kupreychik. Black: E. Geller.

Opening: Ruy Lopez (USSR zonal 1985).

1 P-K4, P-K4; 2 N-KB3; N-QB3; 3 B-N5, P-QR3; 4 B-R4, N-B3; 5 O-O, B-K2; 6 R-K1, P-QN4; 7 B-N3, O-O; 8 P-QR4, P-N5; 9 P-Q4.

White has avoided the well-analysed Marshall Gambit 8 P-B3, P-Q4, where Geller is an expert; but on move 9 I prefer the quiet positional approach 9 P-Q3, P-Q3; 10 QN-Q2 followed by N-B4 with play on the central light squares.

9 ..P-Q3; 10 PxP, PxP; 11 QN-Q2, B-N2!

Improving on B-N5; 12 P-KR3, BxN given in Batsford Chess Openings. With the central already opened up, Black's bishop pair are worth preservation.

12 Q-K2, N-Q5! 13 Q-B4; B-Q3!

Offering a tactical sequence where it only becomes clear six moves later that Black had calculated further.

14 NxN, PxN; 15 P-K5, N-N5!

The first surprise; if now 16 PxB, Q-R5 gives a winning attack. So White aims instead to gain two minor pieces for a rook.

16 QxQP, NxKP; 17 RxN?

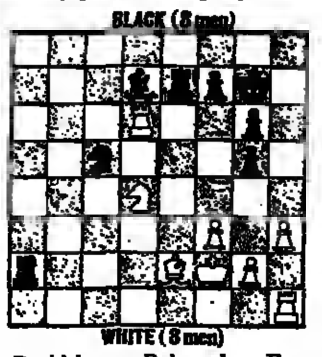
Falling for the trap. Black has a good game, anyway, since the natural 17 N-B1 fails to N-B6 ch; 18 PxN, BxP ch winning the queen.

17...BxR; 18 QxB, R-K1; 19 Q-N3, R-K8 ch; 20 Resigns.

Only now does White see that if 20 N-B1, RxN ch; 21 KxR, Q-Q8 mate. He had probably expected 20...Q-Q8; 21 B-QB4, threatening 22 B-KR6.

POSITION NO. 561

BLACK (8 men)

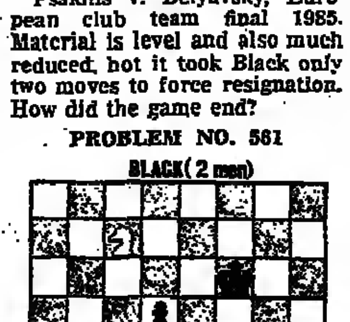


WHITE (8 men)

Psakhis v. Belyavsky, European club team final 1985. Material is level and also much reduced, but it took Black only two moves to force resignation. How did the game end?

PROBLEM NO. 561

BLACK (2 men)



WHITE (5 men)

White mates in three moves, against any defence (by J.B. of Bridport, 1860). The anonymous composer of this puzzle had a contemporary, Sam Loyd, who became the best-known of all problemists, while his one-time rival was forgotten. This three-m[illegible] compares well with many J's.

Solutions Page 18

Edmund Penning-Rowsell reviews 1974 clarets

A hard and charmless collection

TO SOME general disappointment in Bordeaux, 1974 did not turn out a very attractive claret vintage. The two previous years were poor: 1972 produced unripe, acid wine, and hopes of a very promising 1973 dashed almost at the last moment by severe storms that diluted the wine while, at the same time, producing the largest crop in the post-war period.

In 1973, the "energy crisis" struck the highly speculative, over-sold classed-growth market, sending prices down with a bang and many thousands of cases into the London wine auction rooms. It was hoped, therefore, that morale would be restored by a good, not-too-plentiful 1974.

It was not to be. After a reasonably fine summer, exceptionally cold and wet weather struck Bordeaux in mid-September and continued throughout a vintage that began in the last days of the month. The only positive factor was that because it was so cold, there was little rot. It was also a very large red wine vintage, second in size only to the previous year's.

Although the Bordeaux trade affected to believe that the 1974s were better than the 1973s, these, if lacking body, were at least softer than their hard, astringent and generally charmless successors. With 1970s and 1971s to be picked up at bargain prices in the saleroom, no one really wanted the 1974s and opening prices fell precipitously. The first-growths opened at from FFr 35,000, the tonneau (Petrus down to FFr 25,000 (Latour, Haut-Brion and Cheval-Blanc), compared with FFr. 50,000-FFr 52,000 for the not-greatly-esteemed 1973s. Where all the wine went remains a slight mystery.

Nevertheless, 1974 was not a bad vintage like 1968 or 1972 (though that year has retained a small band of supporters still drinking their way through its ungrateful wines). So it was interesting, indeed only fair, to see how the cut-price first-growths had matured after the 10 years that tradition accepts as required for a claret vintage's leading wines to develop.

Regular readers of this column may remember that a dinner is held each year to drink, rather than just taste, the first-growths of each reasonably acceptable vintage as it reaches its first decade. Ausone has been omitted because, for a very long period, it was not producing wines of first-growth quality from its tiny vineyard although, in recent years, this has all been changed. So, six of us, including two Masters of Wine, sat down recently to drink Chx. Margaux, Lafite, Haut-Brion, Mouton-Rothschild, Latour, Cheval-Blanc and Pétrus, in that order.

The bottles were decanted about an hour before the dinner began, which meant that the later bottles had been opened a couple of hours before being poured. However, a maximum of six people per bottle enables a fair refreshment of each glass before a final assessment. Agreement was general that the wines were better than expected. All had good colour, as indeed the 1974's always have had, and most had an attractive aroma. Where they tended to fall short was on roundness and fruit, though they were not excessively acid.

Here, then, are the notes I took at the table, supplemented by comments from other members of the party.

Ch. Margaux. Good colour, nice elegant nose, plenty of body but hard and short-tasting in the mouth; alluring scent, but no complexity, simple, short; gentle, fragrant, crisp, dry, but raw.

Ch. Lafite. Similar colour; typical fine Médoc nose that comes out of the glass. Quite sweet on the taste; and long: nose became more opulent as evening wore on: much more to it on palate than Margaux, lovely scent.

Haut-Brion. More colour than the preceding pair. Typical strong "bricky" Graves nose. Slightly hard, unripe taste, but perhaps it could still develop; very deep colour, gamey nose, dry finish on taste; surprisingly deep colour, bricky, tannic on nose, dry, hard on palate, tobacco, earthy tang.

Mouton-Rothschild. Fine deep lively colour, closed nose took an hour to open, silky texture on palate; sweet (almost boiled-sweet) aroma, some substance, but drying out and flavour disappeared like Margaux; very big colour, nose not at all evident; fairly strong, but lacking individuality and class.

Latour. Lively colour, lovely bouquet, powerful, almost perfumed. On taste the most approachable young Latour tasted, has the most potential of all; very intense colour, very dumb on nose even after two hours, well put-together wine, undemonstrative: big flavour, rather a lumbering wine, but can develop.

Cheval-Blanc. Medium colour, some fragrance, dry tannic finish on taste, medium length; good colour, surprisingly good vanilla aroma and flavour in view of arrival only hours before tasting; suggestion of bath-essence on nose; lot of ripe fruit and more mouthfilling than most, but dry and short; good fruit, robust but very tannic.

Pétrus. Very big colour, lovely sweet nose, plummy as usual; huge colour, hard-to-find nose, fair body but lacks roundness; lots of fruit, still very dry, uncharming; not much nose at first, very alcoholic, ended dry.

As these notes indicate, opinions were, as usual, divided. Tasting wine is not an exact science, and putting it into words extremely difficult. It was unanimously agreed, however, that Lafite came top, bracketed in one case with Latour which, in the voting, took second place (although two put Pétrus there and two Margaux). Cheval-Blanc, remarkably, came third and Pétrus fourth, Haut-Brion fifth, Mouton-Rothschild sixth, and Margaux seventh.

The Mouton-Rothschild came sixth or seventh on most notes, and Haut-Brion was bottom on two cards. Personally, I would have placed it higher; and, on present showing, I was not so keen as some on Latour although, certainly, it is the wine most capable still of development.

As has to be said on these occasions, the views expressed and the comparative voting results can take account only of the actual bottles drunk at the particular time. Yet, the first-growths are best placed to make as good a wine as possible in any vintage, and it would seem that those who still have 1974 clarets should drink, rather than keep them.

- Edmund Penning-Rowsell's classic study of "The Wines of Bordeaux" has just been republished in a fifth edition, substantially revised and updated, by Penguin (12.95).

UK COMPANIES

RESULTS DUE NEXT WEEK

Pearson, the publishing, oil, engineering and banking concern, may well be breaking through the £100m pre-tax barrier for the first time when it reports preliminary figures on Tuesday. The group overall is expected to benefit from a growing U.S. presence for both its books and fine china.

The star performer is likely to be information and entertainments (which includes the Financial Times) where about £50m is being looked for. The oil sector is dominated by 63.5 per cent owned subsidiary Camco of the U.S., which recently reported $18.85m pre-tax for 1984—an almost steady performance against the previous year and better than first expected.

In merchant banking, Lazards may lag a bit behind the 20 per cent increases being earned by its City colleagues but nonetheless a £14.5m contribution is looked for. If it falls much below this the questions would be in order.

Royal Doulton was held in the first half by the heavy marketing costs born by its U.S. operations. The rest of the fine china business should have had a good second half and this should be enough to pull the division ahead of the 1983 result.

In engineering the restructuring into three or four subdivisions appears to be working. Defence work in particular looks good with the company developing a world lead in lightweight river fording equipment.

Pursuing the policy of concentrating on core businesses and snipping away at the periphery appears to analysts to be producing dividends.

The market is not expecting many surprises from the highly promotional London & Scottish Marine Oil on Wednesday and analysts are sticking much to earlier forecasts of £27m to £28m pre-tax for the full year. The oil exploration and production company has enjoyed a number of successes—enough to make it fear (although no one is quite sure why) that a predator lurks.

The group has proven North Sea oil and gas interests worth some £227m net. Discoveries overseas, principally in Indonesia (the KF field in Kakap and less certain the Madura Straits find) and Australia would add another £137m to this.

On a full taxed basis the net asset value per share, once allowance is made for a large package of tax relief, is such as to discourage bids lower than 450p.

The cash flow from the 13,400 barrels a day of production looks good but as ever oil exploration is a high risk business moved as much by rumour as fact. Maybe it is this plus the takeover chatter that is helping to support a high multiple as the debt ratio rises.

Following the sale of Defy, Glynwed International will have largely completed its divestment programme. However, the sale will have no impact in 1984, so next Wednesday's preliminary results will bear the losses of this South African subsidiory, which has been labouring under difficult local conditions and £22m of debt.

Elsewhere in the group all activities have been moving ahead quite confidently on the back of product diversification in such areas as special steels and plastics and a wider geographical spread, emphasising the U.S. The company is paying for this with the cash flow generated from strengthening the traditional activities.

Most analysts expect the company to report profits of around £26m, against £21.07m last time.

There seems so few downside factors for Christies International at the moment that next Tuesday's preliminary results will undoubtedly show strong growth. In the first place the profits will reflect the bouyant art market at home and in the U.S. and, because of the latter, a marked benefit from currency translations.

The recent high interest rates will also have brought in some useful investment income from its cash pile, while costs have been kept under strict control.

Analysts are generally predicting a profits increase from £9.75m to around £16m.

The insurance composite season closes on Wednesday when Guardian Royal Exchange and Sun Alliance both report their 1984 results.

These two groups have a far lower exposure in the U.S. compared with the other three major composites. Consequently, their results are not expected to be quite so horrific.

Nevertheless, they have an exposure in the U.S. and the results from these operations are expected to follow the downward trend with doubled under writing losses from that territory.

Sun Alliance will be including for the first time the results of Phoenix Assurance acquired during last year. It is the largest insurere of houses in the UK and with the Phoenix acquisition one of the largest motor insurers.

So both these accounts will be badly affected and underwriting losses in the UK for the combined group could double. This could lead to overall underwriting losses rising by a third to £185m and pre-tax profits cut by two-thirds to around £33m.

GRE, another major UK motor insurer, could find its UK motor account adversely affected, leading the way towards a 50 per cent rise in total losses to around £100m.

However, bouyant investment income should go some way to soften the decline for GRE and see pre-tax profits down by a fifth to around £100m.

Shareholders can, however, still look forward to increased dividends for 1984—Sun Alliance lifting its dividend by 1.5p to 15.5p and GRE by 2.5p to 25.5p — the only composite likely to cover its dividend.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Alexander Workwear	Tuesday	—	—	—
American Express Company	Wednesday‡	32.0	32.0	32.0
Arcolectric (Holdings)	Tuesday	—	0.4	0.25
Ash and Lacy	Thursday	5.0	12.0	5.0
Associated British Ports	Wednesday	3.0	5.5	3.0
Beauford Group	Wednesday	1.4	2.5	1.5
Bodycote International	Wednesday	1.6	2.0	—
Blockleys	Wednesday	2.75	12.75	2.0
Brammer	Tuesday	2.0	4.2	2.5
Bruntons (Musselburgh)	Wednesday	4.25	5.25	1.5
BSG International	Tuesday	0.35	0.65	0.35
Christies International	Tuesday	2.5	6.0	3.0
Clay, Richard	Monday	1.3	2.2	1.3
Coates Brothers	Tuesday	1.0	2.8	1.4
Consultants (Computer and Financial)	Tuesday	0.36	0.84	0.1
Conder Group	Thursday	—	—	—
Cookson Group	Wednesday	3.7	6.5	4.25
Eastern Produce	Tuesday	1.5	5.0	2.5
Elys (Wimbledon)	Thursday	1.0	6.5	1.0
Empire Stores (Bradford)	Tuesday	—	1.25	—
Evered Holdings	Tuesday	—	0.5	—
Gaskell Broadloom	Thursday	1.0	3.5	1.5
Glynwed International	Wednesday	2.45	5.4	3.25
Guardian Royal Exchange	Wednesday	—	—	5.5
Hyman, I & J	Wednesday	—	0.5	0.5
Higgs and Hill	Wednesday	4.0	7.0	—
Johnston Group	Tuesday	2.0	4.5	2.0
Keep Trust	Tuesday	—	0.375	0.275
Kleinwort, Benson Gilt Fund	Monday	30.5	26.69	27.33
Kleinwort, Benson Sterling Asset Fund	Tuesday	—	4.02	—
Lambert Howarth Group	Tuesday	1.25	3.54167	1.5
London and Edinburgh Trust	Monday	—	3.0	2.5
London and Manchester Group	Wednesday	4.97	11.48	5.31
London and Scottish Marine Oil	Wednesday	4.5	7.0	4.5
Macfarlane Group (Clansman)	Tuesday	1.673	2.2	1.84
Miller, Stanley Holdings	Monday	0.2	1.0	—
Morrison, Wm. Supermarkets	Wednesday	0.5	1.3	0.55
Newarthill	Wednesday	—	10.0	—
Parambe	Tuesday	0.35	0.5	0.4
Pearson	Tuesday	5.0	8.0	6.0
Planet Group	Monday	1.0	1.75	—
Portals Holdings	Wednesday	5.25	11.0	5.5
Senior Engineering Group	Wednesday	0.75	0.75	0.75
Slough Estates	Monday	1.525	2.475	1.0
Sparrow, G. W. and Sons	Thursday	0.5	1.25	0.5
Spirax-Sarco Engineering	Monday	1.7	4.0	—
Stag Furniture Holdings	Tuesday	1.75	3.5	1.75
Stewart Wrightson Holdings	Tuesday	3.85	11.15	4.2
Sun Alliance and London Insurance	Wednesday	22.0	34.0	5.75
Sutherland, E. T. and Son	Monday	—	—	1.33
Television Services International	Tuesday	—	0.1	0.1
Thurgar Bardex	Wednesday	—	—	—
Trans-Oceanic Trust	Thursday	1.0	2.2	—
Watts, Blake, Bearne and Co.	Monday	1.5	2.5	1.65
Weir Group	Wednesday	0.375	1.75	0.375
Wereldhave	Thursday†	4.25	4.75	4.5
Wilson (Connolly) Holdings	Tuesday	0.275	1.6	1.0
INTERIM DIVIDENDS				
A.B. Electronic Products Group	Wednesday	1.5	4.5	
Arenson Group	Tuesday	—	—	
Beckman, A.	Wednesday	1.85	3.78	
Floyd Oil Participation	Tuesday	—	—	
Logica	Tuesday	0.35	0.55	
New Court Trust	Tuesday	4.125	10.125	
Photo-Me International	Monday	3.15	6.3	
Tysack Turner	Tuesday	—	2.4	
Walker and Homer Group	Monday	—	6.5	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Fl per share gross. ‡ Cents per share.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arncliffe Holdings	0.1	May 31	1.54	0.1	2.66
Automated Security	0.76	May 31	0.63	1.24	1.03
Breedon & Cloud Hill	6.5	—	6	8.9	8.4*
Britannia Security‡ ...int.	0.5	May 10	—	—	—
Early Witney	1	—	1	1.32	1.32
Home Counties News	4.75	May 24	3.25	7	5
Ibstock Johnsen	6.5	—	3.75	8	5.5
Oilfield Inspection‡	1	May 31	1.55	1	2.65
Ramus Holdings ...int.	1.5	May 9	1.5	—	5.25
Relyan Group	2.8	May 28	2.5*	4.45	4.04*
Scottish Heritable	1.4	June 21	1.1	2.5	2.1
Waverley Cameron	3.75	—	3.75	3.75	3.75
W'minster & Cntry. int.	3	May 1	2.25	—	7.5
George Wills	5.5	July 2	5.5	8	8

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

A & A 1984 deficit worse than expected at $50m

BY PAUL TAYLOR IN NEW YORK

ALEXANDER & Alexander Services, the U.S. insurance agency and brokerage group, yesterday reported substantially higher than expected $67.5m fourth quarter and $49.6m full year net losses but said earnings from continuing operations had improved.

The net losses mainly reflect the group's previously announced decision to dispose of its underwriting companies, acquired as part of the troubled British Alexander Howden Group in 1981; and to substantially bolster fourth quarter reserves at the company's Sphere Drake reinsurance susbidiary.

The group, which is in the middle of finalising the planned $246m acquisition of Reed Stenhouse, the largest Canadian insurance brokerage group, said, however, that earnings from continuing operations continued to improve in the 1984 fourth quarter.

In the final quarter the group reported net earnings from continuing operations of $7.2m, or 26 cents a share, compared with a year-ago loss from continuing operations of $5.5m, or 21 cents. Operating revenues grew by 9.6 per cent to $145.9m, from $133.1m.

Alexander & Alexander said the primary reasons for the fourth quarter improvement in operating results were the firming of insurance premium rates and new business production coupled with increases in net investment income and a lower effective tax rate.

For the full year earnings from continuing operations, bolstered primarily by a lower effective tax rate, increased by 63 per cent to $25.9m or 97 cents, from $15.9m, or 62 cents, on operating revenues which remained flat at $550.4m compared with $550.9m a year earlier.

Mr John Bogardus, Alexander & Alexander's chairman and chief executive, said: "Our significant improvement in continuing operations was offset by an operating loss from discontinued operations of $23.1m and an estimated loss from disposal of $51.6m.

"Adverse development on Sphere Drake's excess of loss casualty book of business, coupled with asbestosis claims and an increased frequency of claims on other lines in the latter part of the year, were the primary reasons for the fourth quarter deterioration."

The fourth quarter net loss, equivalent to $2.46 a share, compares with a net loss of 82 cents in the 1983 final quarter and produced a full year net loss of $1.86 a share.

Losses from discontinued operations reduced fourth quarter net earnings by $2.72 a share.

Looking forward Mr Bogardus said, "our decision to dispose of the insurance underwriting companies lessens the uncertainty about A&A's continuing operations."

Swiss liquidate Italian trust

BY ALAN FRIEDMAN IN MILAN

EUROPROGRAMME, the Swiss-based Italian property unit trust which is under criminal investigation and which has been facing mounting demands for redemptions from angry investors, was yesterday effectively ordered into liquidation by the Swiss Federal Banking Commission.

The Swiss authorities have decided not to extend a freeze on redemptions, which means that some 75,000 Italian investors could face heavy losses on more than L1,000bn ($500m) of funds invested since 1969.

Despite the Swiss decision to allow the freeze to expire tomorrow, it is still theoretically possible that a part of the company could be salvaged in the next six months if an Italian law were passed in time to allow the unquoted Swiss unit trust certificates to be converted into shares quoted on the Milan Bourse.

However, the Swiss order is more likely to signal the end of the line for the property empire built up by Sig Orazio Bagnasco. Earlier this week he sold control of his Ciga luxury hotel chain to the Aga Khan.

The end of Europrogramme, an unorthodox unit trust which grew mainly through the door-to door sale in Italy of unquoted share certificates, is in keeping with the changing attitude of Italian regulators, bankers and stockbrokers, who have become alarmed at the mushroom growth of financial empires built on such sales methods.

Italian investors are now shifting their attention, however, to government-regulated and domestic based unit trusts. So great has been the success of the authorised trusts that, since their launch last summer, they have attracted $1.8bn.

Trouble began for Sig Bagnasco a year ago, when Sig Giovanni Goria, Italy's Treasury Minister, expressed official concern about Europrogramme. By last June, thousands of investors were demanding redemptions totalling L70bn. Europrogramme acknowledged that its liquidity amounted to less than half that amount.

Last autumn, magistrates in Milan and Lugano began criminal investigations of alleged irregularities at Europrogramme. Last month Sig Bagnasco resigned, along with his entire board, from the IFI-Interfininvest fund management arm of the group.

Ten days ago, Europrogramme revealed that the net worth of the unit trust had fallen by 20 per cent to L808bn and that the trust had made a L25.3bn loss in 1984.

Storer rejects dissidents' plan

BY WILLIAM HALL IN NEW YORK

STORER broadcasting, which is recovering from heavy losses over the last couple of years, has rejected a $2bn liquidation plan being proposed by a little known group of New Jersey investors who recently acquired a significant stake in the Miami-based broadcasting and cable TV group.

Mr Peter Storer, the group's 54-year-old chairman, said that his board had unanimously concluded that the attempt by Coniston Partners to take control of Storer was not in the company's best interests.

Coniston Partners has organised a group known as the Commitee for Full Value of Storer Communications which holds a 5.3 per cent stake in Storer and plans a proxy battle to elect its own slate of directors. These will liquidate the company and realise an estimated $2bn.

Storer is the fifth biggest cable TV company in the U.S. and owns seven TV stations.

Until now Wall Street has always assumed that the regulatory authorities would not allow a hostile take-over of a major U.S. broadcasting group but following the $3.5bn bid for American Broadcasting, analysts are having second thoughts.

Mr Storer said Coniston Partners had no experience or association in either the broadcasting or cable TV industry. In addition, he said that now was not the right time to sell or liquidate the company.

Roussel-Uclaf profit up 28%

PARIS — Roussell-Uclaf, the French pharmaceutical company which is 54.5 per cent owned by Hoechst of West Germany, raised consolidated net income to FFr 453m ($47.5m) last year, up 28.7 per cent from FFr 352m in 1983.

Bolstered by strong foreign demand, the group's revenue rose to FFr 10.8bn in 1984 from FFr 9.2bn in 1983. Foreign sales accounted for 70.5 per cent of turnover.

AP-DJ.

CCF parent shows rise

BY PAUL BETTS IN PARIS

CREDIT Commercial de France (CCF), the large French nationalised banking group, lifted parent company earnings to FFr 84.2m ($8.82m) for 1984, compared with FFr 56.7m the year before.

M Claude Jouven, chairman of the bank, said he expected group earnings growth to exceed the 4 per cent estimated by financial analysts for 1984. In 1983, CCF group earnings were FFr 209.3m.

Deposits rose by 11 per cent to FFr 30.2bn with French franc deposits rising by 6.6 per cent and foreign currency deposits by more than 33 per cent last year. Bad debt provisions increased by 13 per cent totalling in net terms FFr 690m. This was significantly lower than the 43 per cent rise in provisions a year earlier.

The bank managed to slow the rate of increase in general costs to 8.5 per cent from 10.6 per cent in 1983.

Barclays applies for trust bank in Japan

By Robert Cottrell in Tokyo

BRITISH, U.S. and Swiss banks are applying for licences to conduct trust banking business in Japan, ahead of the Monday deadline set by the Ministry of Finance, which is expected to award eight licences in June.

The opening up of trust banking in Japan, from which foreign institutions have until now been excluded, is a consequence of last spring's yen/dollar working party talks between U.S. and Japanese finance officials.

Barclays Bank submitted its application yesterday, the only British bank known to have done so. National Westminster said it had studied the possibility in detail, but decided not to apply. "This does not imply any lessening of commitment to the Japanese market," said Mr Anthony Hodge, NatWest's chief manager for Japan.

An application submitted yesterday by Credit Suisse is supported by a proposal to set up a joint-venture trust business with Mitsui Trust and Banking Corporation, one of Japan's eight licensed trust banks. Credit Suisse would own 95 per cent of the new institution, which would enjoy an initial paid-up capital of Y3.5bn ($13.8m).

Union Bank of Switzerland, also applying for a licence, says it would set up a wholly-owned trust subsidiary in Japan, which would enjoy a close relationship with Mitsubishi Trust and Banking Corporation, the largest Japanese trust bank.

Of the largest U.S. banks, only Bank of America has officially said that it will not be applying for a trust licence. It stated on Wednesday that it would, instead, set up an investment advisory unit to assist Japanese institutions investing overseas.

Citibank's application envisages the U.S. bank setting up a wholly-owned trust banking subsidiary in Japan, receiving technical advice and assistance from Yasuda Trust and Banking Corporation.

Executives of Chase Manhattan, Chemical Bank, Bankers' Trust and Morgan Guaranty Trust confirmed yesterday that their respective banks are applying for trust licences. All are planning wholly-owned subsidiaries. Manufacturers Hanover Trust has also applied.

If, as many bankers in Tokyo believe, these nine institutions represent the full list of foreign trust banking applicants, Ministry of Finance officials could face a difficult task winnowing out a single one in order to balance the number of foreign and domestic trust banks in Tokyo.

Reuter adds from Tokyo: Mitsui Bank said yesterday it planned to establish a joint venture bank in Istanbul along with Chemical Bank and Turkish interests. The bank, to be named Chemical Mitsui Bank, will be capitalised at $7.5m and have five local branches, it added.

Chemical International Finance, wholly-owned by Chemical Bank, will have a 45 per cent stake and Mitsui Bank 25 per cent leaving a 30 per cent local involvement. Turkey's financial authorities have already approved the plan, Mitsui said.

Sweden first to enter new euroyen sector

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

SWEDEN yesterday launched a Y100bn, 10-year credit in the Euroyen market, the first such deal to be announced ahead of the lifting of restrictions on Euroyen lending due to take effect on Monday.

The deal, which is led by Sumitomo Bank, marks the opening of what bankers believe could in time become a significant new sector of the Euromarkets where Japanese banks were previously not permitted to lend yen for periods of more than one year.

It is a revolving credit deal which Sweden can draw and pay back at need. Drawings will bear a margin of ⅛ per cent over the London interbank offered rate for yen deposits and there is a commitment fee of ⅛ per cent.

The borrowing will be used to replace a $300m credit arranged with Japanese banks in 1982 which bears a higher margin of ⅜ per cent.

It has been made possible by a string of measures announced by the Ministry of Finance in Tokyo on Wednesday as part of the programme agreed with the U.S. to liberalise Japanese financial markets.

A spokesman for Sumitomo Bank said the new opportunity to lend Euroyen would be highly profitable for Japanese banks. "We have been wasting our resources by having to put surplus funds in the interbank market at much lower margins," he said.

But the new yen Eurocredit market will create fresh competition for the market in yen loans syndicated domestically among banks in Japan. These are normally tied to the Japanese long-term prime rate, currently 7.7 per cent, while the six-month Euroyen deposit rate is currently just 6⅜ per cent.

State takeover for year at two finance units in Brazil

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN Government is temporarily to nationalise Sul Brasiliero and Habitasul, two major financial groups from the southern state of Rio Grande do Sul.

The two groups collapsed within days of each other early last month, owing an unofficially estimated cruzeiros 1,100bn (US$250m), since when they have been under "government intervention."

The nationalisation decision, announced by Sr Francisco Dorneles, Finance Minister in the two-week old civilian government, previous administration's dement, is an about turn from the previous administration's declared intention to avoid using public funds in the twin rescue operations.

Under the terms of a nationalisation plan worked out together with congressional leaders, the Federal Treasury will inject fresh capital of cruzeiros 800bn into Sul Brasiliero and Habitasul. Their previous shareholders are to put up a further cruzeiros 360bn.

Control will remain in the Central Bank's hands for 12 months, after which both institutions will be re-sold to the private sector.

To avoid breaching the tight monetary controls the Neves government is attempting to enforce, Sr Antonio Carlos Lembruber, the Central Bank governor, said a parallel cut will be made in the 1985 Federal budget—for cruzeiros 800bn.

In opting for this solution Sr Dorneles' overriding considerations are likely to have been the same as those of his predecessor: to prevent control, especially of Sul Brasiliero, formerly Brazil's 13th largest bank in terms of deposits, falling into foreign hands, and to preserve the 21,200 jobs at stake in the two groups.

UOB earnings dip 11%

SINGAPORE — United Overseas Bank, one of the country's big four commercial banks, suffered a 10.7 per cent setback in net group earnings to S$137.3m (US$61.6m) for 1984, caused in part by a 49.2 per cent plunge in profits at its majority-owned subsidiary, United Overseas Insurance.

The final dividend is 10 cents for an unchanged total of 18 cents.

At UOI, of which UOB owns 56 per cent, net group profit fell to S$2.7m from S$5.2m the previous year. Gross premium income rose 13.7 per cent to S$25.2m but investment and other income was 54.9 per cent lower at S$3.3m.

● National Iron and Steel Mills showed a 76.3 per cent slide in net profit last year to S$4.7m. The steel and iron rod maker attributed the outcome to poor domestic demand, low steel prices and higher operating costs.

It said that the performance was unlikely to improve in 1985, with business conditions "likely to remain adverse."

The results were struck before an extraordinary gain of S$13.6m from the sale of long-term investments, almost matching a S$15.1m credit the previous year.

Group turnover slipped 5.3 per cent to S$331.4m. The dividend for the year is being cut, however, to 12 cents from 17 cents.

AP-DJ

Elec and Eltek slides into loss

BY OUR FINANCIAL STAFF

ELEC AND ELTEK, the Hong Kong electronics company which went public a year ago on a wave of investor enthusiasm, yesterday reported a slide into net losses of HK$6.5m (US$833,600) in the six months to December 1984, compared with profits of HK$70m in the same period the previous year.

It blamed the setback on a severe decline in telephone sales and on delivery problems associated with its microprocessor manufacturing side.

The Elec and Eltek flotation last March was oversubscribed 84 times.

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Telephone: 01-248 8000

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Feverish time for the dollar

IS THIS the Big One? On the trading floor of the Chicago International Monetary Market and in the foreign exchange dealing rooms dotted around Wall Street and the City of London, people have a refreshingly simple philosophy of life: think of one thing at a time, be it a curren to sell, a trend to follow or a question to ask. Among the people who sport "The Trend is Your Friend" buttons, these great issues have a technical description—they are known as flavours of the mooth. Armed with this information, there is no need for verbosity in talking ot your friendly foreign exchange dealer. Anytime in the past two weeks you could pick up the phone and ask him: "Is this the Big One?" and he would know exactly what you meant.

To judge by the behaviour of the foreign exchanges recently, the answer might seem as simple as the question. In less than a month the dollar has dropped by 13 per cent against the D-mark and 18 per cent against the pound. The fall has scarcely been interrupted even by technical corrections. And already the sort of market analysts who do their economic forecasting with a ruler—projecting forward a two-week trend for a month, a year or even a decade—have reversed their earlier predictions of a dollar worth DM 4 and oil worth $10 a barrel.

Indeed, there are mutterings in the markets about a fundamental realignment in European and American growth performances and even a resurgence of sterling on the back of a rising dollar oil price.

Volatility

In view of the feverish volatility and perversity displayed by foreign exchange markets in the past year or two, it is obviously tempting for fundamental analysts, who have long poured scorn on the market's unstoppable and apparently irrational bullishness to feel sceptical now, as market sentiment suddenly moves into reverse. It seems a little too neat for the long-awaited turn in the dollar to have come precisely at the moent when the world's central banks launched what was possibly their biggest-ever co-ordinated currency intervention, when the U.S. finally became a net international debtor, when the U.S. economy showed unmistakable signs of slowing, and when the Reagan Administration, through the voice of commerce, Mr Malcolm Baldrige, the Commerce Secretary, began to seize on ever-growing trade deficits as an opportunity to talk the dollar down.

But, tempting though it is to stand out against the faddishness of the foreign exchange markets, there are stronger reasons now than ever before to believe that the basic trend in the dollar may at last be changing. The U.S. currency is bound to bounce back from its current free fall sooner or later; but those technical analysts wo suggest that the charts from now on will indicate a down-trend with occasional rallies, instead of a up-trend with occasional corrections, are probably in the right.

Apart from the emotional elements of market sentiment, which for better or worse are probably the most important single factor in the short-term movements of exchange rates, a number of fundamental changes have become apparent in the past few weeks, which make a resumption of January's seemingly unstoppable dollar bull market less and less likely.

Free trade

The Reagan Administration has clearly become aware of some of the perils of an overvalued dollar which had apparently not occurred to the President himself when he delivered his famous rebuff to Mrs Thatcher's pleas for greater currency stability, in the midst of the sterling crisis earlier this year. Free trade is something which the President personally believes in with a passion which is rarely shares or even acknowledged by his counterparts in Europe. Judging from the warnings of Mr Baldrige about ever-rising U.S. trade deficits for the rest of this year, the President has now realised that the level of the dollar is becoming inconsistent with U.S. participation in a free international trading system.

Furthermore, if the President has an even stronger commitment than international free trade, it is to rapid domestic economic growth. Even if the Commerce Department's "flash" estimate that U.S. growth has declined to 2.1 per cent in the current quarter is revised upwards — and yesterday's reasonably strong leading economic indicators suggested that it may well be — it is becoming unmistakably clear that burgeoning trade deficits are crowing both the macroeconomic stimuli and the supply-side reforms which have powered America's exceptionally rapid economic recovery.

In practice, however, Mr Reagan may well have left it too late to do anything to support the kind of domestic economic growth of 4 per cent or more — which he would clearly like to see. Any efforts he might make to manage the economy through more sensible fiscal policies are even less likely to be successful now that the U.S. economic cycle appears to have turned downwards. Whether the Federal Reserve Board can pilot the dollar to a soft landing by the use of its monetary levers alone is now, more than ever, the key question for the future of the world economy.

Raymond Snoddy looks at the implications of this week's rise in the licence fee and the setting up of the Peacock inquiry

The BBC: critical choices on several fronts

"ON THE 'D scale' running from delirious at one end to disaster at the other, the result is right in the middle—disappointed."

The "D scale" was rapidly invented in the finance department of the BBC this week as finance director Geoff Buck and his team started to work out the implications of a £58 colour licence fee for two, or probably three, years, accompanied by a wide-ranging inquiry into future financing with the possibility of advertising at the top of the agenda.

For the heirs of more than 60 years of BBC public service broadcasting tradition, clause (ii) of the terms of reference of the inquiry to be chaired by Professor Alan Peacock makes chilling reading: "To identify a range of options for the introduction, in varying amounts and on different conditions, of advertising or sponsorship on some or all of the BBC's Home Services with an assessment of the advantages and disadvantages of each option."

The inquiry comes as a wide range of industrial and cultural ideas on broadcasting and its future are in the melting pot in most of the developed world.

The video recorder, cable television and satellites all appear to offer an explosion of choice compared with the limited transmitters of traditional broadcasters.

Perhaps the most fundamental question of all is whether the days of the great public service broadcasting organisations such as the BBC and ITV are numbered. Are they transient dinosaurs that flourished for a while on the temporary scarcity of airwaves—a scarcity that new technology is now alleviating—and do they now face inevitable extinction? Here are some of the issues.

What does a £58 licence fee settlement mean for the BBC?

The Home Office believes it has given the BBC a "respectable increase while future options are examined. The anger of Tory back-benchers at the £12 rise gives credence to this view. For the Corporation, it means a shortfall of £65m over three years after all plans for expansion and new development have been jettisoned.

To contiue its existing services, the BBC will have to find more than three times the £20m in savings thought possible by Peat Marwick, Mitchell after its recent Value For Money review.

Has the Government set up an inquiry likely to produce a pre-determined answer—ads on Auntie?

The composition and balance of the seven-strong inquiry team will be of critical importance to the outcome. First signs are that Mr Leon Brittan, the Home Secretary, has an open mind on the issue.

The terms of reference have been set wide enough to examine all possible sources of new funds for the BBC and the implications for the rest of broadcasting.

The inquiry appears free enough even to recommend in 18 months' time that the licence fee system is still the least bad system on offer.

Prof Peacock, despite market economy sympathies, seems to be a man of independent mind approaching the task without rigid preconceptions.

Is there enough advertising to go round?

Although the inquiry will look at the feasibility of funding the BBC wholly or partially by advertising, it seems inconceivable that there is enough to meet the £2bn a year bill for the four channels of British television.

It is a supreme irony that at the moment the inquiry is announced, the ITV companies are starting to reach for the panic button because of five consecutive months when advertising revenue has been static or has dropped with no immediate improvement in sight. ITV companies can find no satisfactory explanation but it could be that advertising revenue has simply reached a plateau after years of dramatic growth.

Protagonists in the future debate: (left to right) Leon Brittan; Alasdair Milne, Director-General of the BBC; Stuart Young chairman; and Professor Alan Peacock

Some companies are looking for early retirement, many are trimming programme plans. Thames Television, for instance, the largest of the ITV companies, is planning a 2 per cent budget cut because of the downturn in advertising.

According to a study carried out for the Independent Television Companies Association (ITCA), if the BBC carried two minutes of advertising an hour in peak time the effect would be to plunge every ITV company into the red. The study assumed that the BBC would be able to charge a 20 per cent premium for its advertising and that this would largely be diverted from ITV.

The ITCA believes that the prime casualty of advertising on the BBC would be the regional character of ITV—with 15 separate sets of studios—a factor that adds dramatically to ITV programming costs of about £50,000 an hour.

Could sponsorship provide an additional source of income for the BBC?

If crude forms of sponsorship such as in the U.S., which mean direct involvement in the editorial control of programmes, are ruled out, the financial possibilities rapidly melt away. The less direct the sponsors' involvement with the programme, the less enthusiastic they will be to pay the substantial sums involved.

Corporate image building and philanthropy clearly have financial limits, particularly when the sponsoring of sports events can have a much more dramatic effect on the screen more economically.

It would be ironical if the BBC were required to take more blatently sponsored programmes than the Independent Broadcasting Authority (IBA) allows ITV companies and Channel 4 to do.

The IBA recently completed a thorough review of its guidelines on sponsorship. With the exception of one modest concession—brand names as well as corporate names of sponsors can appear on the screen credits—the IBA intends to hold the line against the march of sponsorship.

The IBA is determined that programme content must not be directly related to the funder's commercial interests.

More widespread sponsorship on broadcast television could also damage the prospects for cable television. Cable is counting on sponsorship to help pay for its programming and has been encouraged to do so by the Government.

Can television blossom into a new de-regulated diversity so that we are all free to purchase a programme in the way we now choose a magazine from the hundreds on the news stands?

All the indications are that the concept of public service broadcasting and the large production complexes which are its hallmark has a great deal of life in it yet.

As the new media of cable and satellite expand, the need will be for a supply of programmes on a hitherto unimagined scale. Working practices and union restrictions will have to change, production may be organised on a different basis.

The television equivalent of publishing is already with us to the shape of the video industry which by the end of the year will probably have penetrated 35 per cent of all homes in the UK.

But most people use their videos to "timeshift" programmes broadcast by the national networks and to watch rented feature films.

Few are yet prepared to pay the price of an expensive hardback book for a general interest video—this is not a very attractive rental market because turnover is slow.

Does cable television pose a serious threat to the traditional broadcasters?

Cable has had a slow and difficult birth. But six extra channels of programmes delivered by satellite have been created. And yesterday Rediffusion Cablevision, part of Mr Robert Maxwell's communications empire, celebrated its first birthday.

CableVision subscribers in 40 towns as diverse as Newcastle and Plymouth, Bargoed and Folkestone have available five extra channels and around 330 hours of programmes a week.

CableVision claims that in homes which subscribe to cable the new programmes account for 34 per cent of total viewing second only to ITV.

How much do cable programmes cost?

Companies such as Thorn EMI are making programmes for £1,000 an hour—a fraction of the cost of broadcast television. This may yet turn out to be one of the most explosive implications of cable for the broadcasters.

Mr Julian Mounter, director of programmes for Thorn EMI cable, and a former Thames Television producer, concedes he is not making Jewel in the Crown or Horizon for such a sum.

"What I am talking about is the sort of studio based programmes you might find made by the current affairs, features, childrens, education and religious departments of a broadcast station," he said.

"That £1,000 compares with £5,000, £10,000 or even £30,000 spent by broadcasters to achieve a similar effect."

Could independent producers make programmes more cheaply than the BBC as they have done for Channel 4?

The answer seems to be a tentative maybe. There is little doubt you can find a programme that is made more cheaply by independents because of lower overheads and more flexible working practices. The difficulty is being sure you are comparing like with like.

Talks between the BBC and Channel 4 to see if such comparisons can be made—as recommended by Peat Marwick—begin next week.

The real difficulty will be to decide what proportion of cheaper independent production the BBC could accept before it starts to lose the economies of scale involved in running its studios 24 hours a day as a very expensive piece of capital equipment.

Making a significant proportion of programmes outside the Corporation could lead to a head-on confrontation with the broadcasting unions.

Has the BBC/ITV duopoly created any special union problems?

The ability to turn the screen light has given unions considerable control over [illegible] levels, and the ability [illegible] larly in ITV, to negotiate some of the highest salaries in industry.

At London Weekend Television, it is theoretically possible to earn six times the basic rate by working long unsocial hours.

But managements are starting to fight back. Last year the BBC took an eight-week strike to force through shift pattern changes among scenery workers and Thames put out a management television service, rather than give in to union demands.

Will satellite television eventually undermine the supremacy of the traditional broadcasters?

Some time next month the Government will greatly relax the rules which at the moment prevent most companies or consumers from putting a satellite receiving dish on the roof of a hotel or in the back garden.

According to Mr Patrick Cox, managing director of Sky, the general entertainment channel, there could be as many as 20 satellite television channels operating in Europe by the end of this year and regulation will become increasingly difficult to apply.

Will the inquiry into the BBC and the threat of advertisements for both the Corporation and the ITV companies finally kill off the UK's hopes of getting its direct broadcasting by satellite (DBS) project off the ground?

It will raise major question marks. Mr David Plowright managing director of Granada Television and chairman of the ITCA, has already hinted at what ITV's priorities will be.

"Handled wrongly, the advertising issues could damage the fabric of broadcasting in this country far more seriously than anything that is likely to happen in outer space in the next year or two."

The BBC believes that there may be precious little time to concentrate on DBS for the immediate future. The BBC management will be fully stretched juggling budgets and improving productivity, with an internal rolling review of every BBC department already under way and drawing up evidence for an inquiry at the same time as trying to maintain and even improve the quality of programmes.

Could subscription be a fairer, less onerous way of collecting the licence fee and provide a closer link between what is watched and what is paid in the way of electricity bill?

A senior BBC adviser is already looking at the feasibility of scrambling the BBC-2 signal and charging separately for it.

Such a problem would obviously involve extra costs particularly to provide the electronic decoders to get your picture back in recognisable form. With current technology, scrambling also involves some loss of picture quality.

Even if such a thing were possible, it would be a departure from the universal nature of the services the BBC provides—everything available to all the population for a standard licence fee.

What else could the Government have done?

If they were concerned about the growing imponderables facing the future of broadcasting and communications in a period of rapid change the Government could have set up a much wider ranging inquiry. Its task would have been the elaboration of a coherent communications [illegible] for the UK, something [illegible] critics argue is conspicuously lacking from the [illegible] piecemeal approach.

[illegible] all have been worth it? [illegible] has admitted in the [illegible] "that the review I have announced will lead to a period of uncertainty not only for the BBC but for the other media, in particular independent broadcasting."

When the French DBS satellite starts beaming programmes into Britain, possibly with Sky Channel on board at about the same time as the Peacock inquiry is due to report, senior broadcasters are already wondering whether the benefits will outweigh the effects of such uncertainty.

Letters to the Editor

Whose folly in the City?

From the Director-General of the British Property Federation.

Sir,—Readers of the Financial Times will of course have more than one view of the desirability of Mr Peter Palumbo's proposals for Mansion House Square; but there must be many of us who would be just as delighted to see an end of Colin Amery's follies in your columns as he would be to say farewell to what he calls "Palumbo's folly in the City." The fact that Mr Amery does not share Mr Palumbo's particular vision does not make that vision shameful or a self-evident folly; nor does it justify the use of a privileged position to try to influence unfairly the outcome of the inquiry after the evidence has been properly heard.

It is true that the City of London is vulnerable; but it is not vulnerable to what Mr Amery is pleased to call "rampant demolition." Almost everything in the City — good, bad and indifferent — is protected. Mr Amery himself will be frustrated in his desire to demolish acres of the types of architecture of which he happens not to approve because it is almost impossible to demolish anything. Once an area in the City becomes a conservation area, everything in it, however undistinguished or derelict, tends to become sacrosanct. Unusable buildings either moulder on or have to be reconstructed within old facades as though no modern architect could design a complete building related to modern needs with taste and integrity.

Yet what will happen if it becomes impossible to supply the City with the up-to-date buildings and facilities it must have if it is to retain its place at the head of international finance and commerce? Foreign banks and business houses who cannot meet their needs in London will not settle instead for Leeds or some other English city approved by Mr Amery, but for Paris, Geneva or Amsterdam.

Mr Amery vilifies Mr Palumbo because he is "rich" and accuses him of the promotion of his own "private dreams." Most beautiful buildings in this country — certainly the three great country houses he mentions — were built by rich men with the means to promote their private dreams. Mr Amery would call such people patrons of the arts to the extent that he has come to share their tastes; otherwise he calls them developers.

Workers at all levels nowadays expect ever-improving working conditions and employers are obliged to respond to the requirements of modern technology if they are to stay in business in the face of international competition. If Mr Amery were to succeed in ruling out renewal and redevelopment within its boundaries, the City itself would be placed under a slow sentence of death.

Sir Donald Tebbit.
British Property Federation,
3, Catherine Place,
London, SW1.

The purpose of share schemes

From Mr L. Brennan

Sir,—In his article "Now it's all-ahead for discount shares" (March 23) David Cohen correctly discerns the favourable conditions for share schemes, but misreads the purpose of contributory share schemes.

It was not an objective of BT (nor of Government) to direct the immediate benefits of share ownership disproportionately towards the higher-paid. On the contrary, the combination of elements in the successful employee offer (completed recently with share options to be paid for over the next five years) was carefully designed to provide every BT employee with an opportunity to participate fully in the success of privatisation.

Contributory schemes were accepted by the Revenue in 1978 after representations by BP and by a well-known private firm. Both argued convincingly (but from very different perspectives) for contributory schemes. Contribution provides both commitment and that essential ingredient of shareholding—namely risk.

To protect the lower-paid, the Revenue ruled that any employee must be able to participate in a contributory scheme for a "modest sum" (defined, very practically, as roughly equal to the cost of a packet of cigarettes a week). Since then public and private companies as well as successive privatisations, have adopted the contributory approach as the one best suited to their business philosophy.

There remains a recognised weakness in the statutory basis for such schemes, but their appeal to companies and to employees alike cannot now be questioned.

Laurie Brennan,
Chief Executive,
New Bridge Street Consultants,
30-34 New Bridge Street,
London, EC4.

The smokers and the anti-smokers

From the Director of the Freedom Organisation for the Right to Enjoy Smoking Tobacco

Sir,—It is not a pleasant sight to see a fellow professional pressure group director crying his eyes out in a newspaper letters column because that newspaper did not carry one of his press releases (March 23).

Even campaigns backed by the medical profession have to expect news editors to judge press releases on their news value and not out of sympathy to the cause.

Your newspaper reported FOREST's budget recommendations. It did not report those of ASH. I venture to suggest the main reason was that we were saying something new whereas ASH was re-articulating the conventional wisdom of the anti-smoking lobby.

For the first time, the author of our tax pamphlet, a trained economist, recommended on grounds of equity, fiscal neutrality and prospective revenue yield that tobacco taxes should not forever rise at least in line with inflation. Rather they should share in the Chancellor's general tax cutting strategy.

ASH's David Simpson berates your news editor for not reporting that FOREST receives funds from Britain's five tobacco companies. But this is not news. It is an old question regularly raised, repeatedly answered at every FOREST press conference (which Mr Simpson did not choose to attend) and published in our own literature.

Incidentally, Mr Simpson, so keen to point to our organisation's private funding, did not in his letter reveal his organisation's funding—almost exclusively from the taxpayer to the tune of £150,000 this year.

What's he afraid of? Mrs Thatcher discovering her axe?

Stephen Eyres.
Bondway House, Bondway,
London SW8.

One in the eye for the public

From Mr C. Harrison

Sir,—"Rivals plan one in the eye for opticians" reports Carla Rappaport (March 25) More likely it will be one in the eye for the public. As the article states there are so many people (non optical groups) anxious to act as guardian angels on behalf of the public, whether they are qualified/registered with the General Optical Council — or not that you are given the impression that prior to April 1, 1985 people have been extremely badly served since the Opticians Act 1958 and that these new companies are coming to the rescue to give the man in the street a real new wonderful optical service — which of course, is rubbish and bunkum.

You can pay a lot of money at £12.95 and probably a lot more than that figure to find out that opticians are not as bad as they have been painted. There is no foundation for Mr Ratner's comment about our protected little club. He like many others is ignorant of the facts or is merely trying to climb on this £250m so-called market.

Looking at the hundreds of outlets and companies dashing after a share of this £250m it doesn't seem that there will be enough responsible people capable of producing adequate accurate eyewear on the one hand, or that they will make very much out of it at the end of the day on the other — and heaven knows who the public will have recourse to in answer to their complaints.

Charles Harrison,
57, Ely Street,
Stratford-upon-Avon.

Everyday folk at Greasy Widget

From Mr M. J. Higgins

Sir, — I refer to Clive Wolman's article (March 23) regarding the everyday folk at Greasy Widget and write from the point of view of a worried BES investor as the thinking of the finance investor George, he only seems to take into account the financial position of the working directors of the company. It would have been interesting to see on what terms the poor BES investor was enticed to part with his money and compare them with what George proposes for the company, namely:

(a) Dividends to be paid in order to avoid National Insurances, whereas the BES investor would expect the profits to be rolled up so that at the end of five years he can realise capital gains.

(b) Additional payments into pension funds and one would query whether these were in excess of the original service agreements entered into by the directors.

(c) The company seems to have raised excess funds, and one wonders on what premiss they were originally raised, and these funds are now to be invested in a seaside property for the benefit of all the directors. Surely an unacceptable face of capitalism.

One would also query whether George would be entitled to rollover relief on the transfer of the property to the company as one would query whether it is a trading activity.

The article is very enlightening but one would hope that it would only be of use to those companies that are wholly owned and controlled by the directors.

In the case of Greasy Widgets, with outside shareholders and presumably the possibility of a USM quote in the years to come, George has suggested dodges that are not acceptable unless of course the company changed its name to Greasy Fingers Ltd.

M. J. Higgins,
Benriches, 25, Victoria Street,
London SW1

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak

The dollar lost ground in very thin trading yesterday. Most positions had been squared off due to the proximity of the weekend, month end and quarter end as well as the last day of the Japanese financial year. Consequently it took very little to push the dollar down to DM 3.0825 from DM 3.1295 and SwFr 2.6025 from SwFr 2.6475. It was also weaker against the yen at Y251.05 from Y253.00 and FFr 9.4050 from FFr 9.5475. News of an unexpected rise in U.S. leading economic indicators appeared to have little effect. The dollar's Bank of England index fell to 145.9 from 146.9.

Sterling lost ground in late trading, having shown a firmer trend for much of the day. In very erratic trading it fell from a high of $1.2600 to finish at $1.2365-1.2385, although this was still up from Thursday's close of $1.2275-1.2285. It fell against the D-mark however to DM 3.81 from DM 3.8425 and SwFr 3.2150 from SwFr 3.2500. Against the yen it slipped to Y310.0 from Y310.5 and FFr 11.6550 from FFr 11.7275. Its index fell to 77.2 from 77.5, having touched a high of 78.0.

£ in New York

	March 29	prev. close
£ Spot	$1.2350-1.2380	$1.2270-1.2280
1 month	0.52-0.49pm	0.48-0.47pm
3 months	1.22-1.16pm	1.21-1.16pm
12 months	1.57-1.43pm	1.54-1.47pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX

	March 29	Previous
8.30 am	78.0	78.2
9.00 am	77.8	78.5
10.00 am	77.8	78.3
11.00 am	77.8	78.0
Noon	78.0	77.6
1.00 pm	77.9	77.4
2.00 pm	77.8	77.4
3.00 pm	77.5	76.8
4.00 pm	77.2	77.5

POUND SPOT—FORWARD AGAINST POUND

March 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2250-1.2600	1.2365-1.2385	0.50-0.47c pm	4.70	1.22-1.17 pm	3.86
Canada	1.6825-1.7069	1.6825-1.6925	0.47-0.38c pm	3.02	1.06-0.92 pm	2.35
Nethlnd.	4.28¾-4.35¾	4.28½-4.29¾	2½-2¼c pm	6.82	6¾-6¼ pm	6.06
Belgium	76.01-77.68	76.60-76.70	23-18c pm	3.21	55-45 pm	2.64
Denmark	13.55-13.70½	13.59-13.60	2⅞-1½ore pm	2.04	6⅞-4⅞ pm	1.73
Ireland	1.2136-1.2330	1.2165-1.2175	0.08p pm-0.09dis	−0.05	.01pm-.25dis	−0.39
W. Ger.	3.77¾-3.86	3.80½-3.81½	2½-2¼pf pm	7.88	6¾-6½ pm	6.89
Portugal	212-218¾	213-217	150-540c dis	−19.26	515-1520dis	12.93
Spain	212⅞-214¾	213-214	30-10c pm	1.12	25 pm-15dis	−0.09
Italy	2415½-2472¾	2435½-2436½	1-4lire dis	−1.23	8-12 dis	−1.64
Norway	10.98-11.08¾	11.00½-11.01½	1¾-¾ore pm	0.89	2¼-¾ pm	0.52
France	11.54¾-11.78½	11.65-11.66	3-2½c pm	2.83	6¾-5¾ pm	1.93
Sweden	10.99¼-11.12¾	11.04½-11.05½	¼ore pm-¾ dis	−0.20	½-1¾ dis	−0.38
Japan	307¾-314½	309½-310½	1.97-1.85y pm	7.39	5.15-5.00 pm	6.55
Austria	26.62-26.98	26.65-26.85	16¾-14½gro pm	6.93	41¼-37¼ pm	5.87
Switz.	3.18¾-3.26	3.21-3.22	2¾-2½c pm	8.15	5⅞-5¾ pm	7.23

Belgian rate is for convertible francs. Financial franc 77.25-77.35. Six-month forward 1.63-1.58c pm, 12-month 1.70-1.60c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

March 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2250-1.2600	1.2365-1.2385	0.50-0.47c pm	4.70	1.22-1.17 pm	3.86
Ireland†	1.0060-1.0180	1.0115-1.0130	0.45-0.35c pm	4.75	1.15-1.00 pm	4.25
Canada	1.3660-1.3700	1.3680-1.3700	0.19-0.22c dis	−1.80	0.51-0.56dis	−1.56
Nethlnd.	3.4350-3.4925	3.4820-3.4830	0.59-0.55c pm	1.94	1.89-1.85 pm	2.12
Belgium	61.60-62.20	61.90-62.10	7½-8½c dis	−1.55	18-20 dis	−1.23
Denmark	10.91-11.05¼	11.00½-11.00¾	1½-2¼ore dis	−2.04	4¼-4¾ dis	−1.63
W. Ger.	3.0425-3.0930	3.0820-3.0830	0.80-0.75pf pm	2.58	2.40-2.35 pm	2.63
Portugal	173-175	173-175	200-600c dis	−24.14	600-1400dis	−22.99
Spain	171.00-172.70	171.80-172.30	55-65c dis	−4.19	160-185 dis	−4.01
Italy	1962-1982	1969½-1970½	9½-10lire dis	−5.92	28-29¾ dis	−5.75
Norway	8.82-8.93	8.87¾-8.88¾	2¾-3¼ore dis	−4.04	7¼-7¾ dis	−3.37
France	9.34-9.43½	9.40¾-9.40¾	1.45-1.55c dis	−1.91	4.10-4.40dis	−1.81
Sweden	8.88-8.96	8.93-8.93½	3¼-3¾ore dis	−4.70	9¾-10¼ dis	−4.47
Japan	249.50-251.50	251.00-251.10	0.55-0.51y pm	2.54	1.75-1.70 pm	2.76
Austria	21.60-21.67	21.60-21.65	4-3¾gro pm	2.01	12½-10½ pm	2.13
Switz.	2.5890-2.6200	2.6020-2.6030	0.78-0.72c pm	3.45	2.20-2.14 pm	3.33

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.40-62.50.

OTHER CURRENCIES

Mar. 29	£	$		£ Note Rates
Argentina Peso	415.90-415.98	359.50-559.80	Austria	26.99-26.90
Australia Dollar	1.7870-1.7750	1.4265-1.4295	Belgium	76.80-77.60
Brazil Cruzeiro	0.440-5.487	4.450-4.450	Denmark	13.58-13.71
Finland Markka	7.9090-7.9780	6.4360-6.4460	France	11.58-11.70
Greek Drachma	165.59-166.09	152.15-135.34	Germany	3.79-3.83
Hong Kong Dollar	2.5200-9.6300	7.7950-7.7970	Italy	2429-2460
Iran Rial	111.10*	94.60*	Japan	314-319
Kuwait Dinar (KD)	0.6710-0.5735	0.30285-0.30295	Netherlands	4.30-4.34
Luxembourg Fr	76.60-76.70	77.95-77.35	Norway	11.01-11.11
Malaysia Dollar	3.0850-3.1050	9.5000-2.5100	Portugal	210-225
New Zealand Dlr	2.6590-2.6800	8.1415-2.1655	Spain	200¾-210
Saudi Arab Riyal	4.4280-4.4555	3.6050-3.6070	Sweden	11.01-11.11
Singapore Dollar	2.7075-2.7275	2.1920-2.2050	Switzerland	3.21-3.25
Sth African Rand	2.2925-2.3455	1.6830-1.8905	United States	1.23-1.25
U.A.E. Dirham	4.5155-4.5575	3.6720-3.6730	Yugoslavia	950-515

* Selling rate.

EXCHANGE CROSS RATES

Mar. 29	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.238	3.801	510.0	11.85	3.015	4.288	2455.	1.688	76.65
U.S. Dollar	0.808	1.	3.085	201.1	0.405	9.603	3.483	1070.	1.364	69.00
Deutschemark	0.262	0.325	1.	60.36	3.050	0.844	1.125	639.4	0.445	20.12
Japanese Yen 1,000	3.290	3.902	19.29	1000.	37.60	10.37	13.85	7858.	5.444	347.3
French Franc 10	0.858	1.062	3.209	866.0	10.	2.755	5.579	2090.	1.448	65.77
Swiss Franc	0.511	0.385	1.183	96.43	5.680	1.	1.334	767.7	0.625	25.84
Dutch Guilder	0.285	0.289	0.889	72.30	2.718	0.760	1.	668.9	0.394	17.88
Italian Lira 1000	0.411	0.364	1.064	127.3	4.794	1.320	1.760	1000.	0.690	31.47
Canadian Dollar	0.595	0.736	2.958	183.7	6.907	1.905	2.541	1444.	1.	43.42
Belgian Franc 100	1.305	1.814	4.971	404.4	16.21	4.194	5.594	6178.	2.202	100.

MONEY MARKETS

Slight fall

Interest rates were slightly easier in London yesterday, helped by sterling's firmer trend against the dollar. However, technical constraints on the shorter end of the market tended to cloud the picture a little and the authorities made some attempt to reduce the high cost of short date borrowing. Consequently, weekend interbank money eased from an opening level of 13⅞-14 per cent to 13½-13¾ per cent during the morning and fell away to a low of 8 per cent before coming back on late demand to 10 per cent.

UK clearing banks base lending rate 13-13½ per cent since March 29

Three-month interbank money was confined to a narrow range and finished at 13½ per cent compared with 13⁹⁄₁₆ per cent. Three-month eligible bank bills were bid at 12½ per cent from 12⅝ per cent.

The Bank of England forecast a shortage of around £1,100m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £1,476m and the unwinding of previous sale and repurchase agreements a further £115m.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £981m and comprised purchases of £160m of eligible bank bills in band 2 (15-33 days) at 12¾ per cent and sale and repurchase agreements on £801m of bills at 12¾ per cent, unwinding in equal amounts on April 23, 24 and 26. The forecast was later revised to a shortage of around £1,250m before taking into account the early help and the Bank gave additional assistance in the morning of £236m. This comprised purchases of £11m of eligible bank bills in band 1 (up to 14 days) at 12⅞ per cent and £110m in band 2 at 12¾ per cent. In per cent and in band 4 (64-91 days) £18m at 12½ per cent.

In the afternoon it bought £57m of bills, £50m of eligible bank bills in band 2 and £7m in band 4 at 12½ per cent.

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Mar. 29 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-14⅞	16½-15¾	13¾-14¼	9-13½	—	—	—	—	—
2 days notice	—	—	14	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅝-14	13⅞-14	13⅞-14¼	15-13¼	—	—	—	—	—
One month	15⅛-15⅜	15⅛-13⅞	15⅜	13⅜	13	12½	12⅝	12⅞	12⅝	13⅛
Two months	13⅛-13⅛	15⅛-13⅛	16¼	13½	13¾	12⅞	12⅞	12⅞	12⅝	13⅞
Three months	13-12⅞	15⅛-15⅛	13⅛	13⅜	12½	12⅝	12¼	12⅞	12⅞	10⅛
Six months	12⅞-12⅞	12¼-12⅝	12⅛	—	—	—	—	11¾-11⅝	11¾-11⅝	12⅝
Nine months	12⅞-12⅞	12⅛-12⅞	—	—	—	—	—	—	—	—
One year	12-11⅞	11⅞-12	12	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	14⅛-14	—	13¾	8.65-8.70	8¾-8⅛	10⅛-10⅛
Two months	14¼-15⅞	—	13⅝	8.75-8.86	8⅛-8¾	10⅛-10⅛
Three months	13¾-13⅜	—	13⅛	8.9-9.0	8⅝-8⅞	10⅛-10¼
Six months	12⅞-12½	—	12⅞	9.3-9.4	8⅞-9⅛	10⅛-10¼
Nine months	12¾-12⅜	—	12⅞	9.6-9.7	—	—
One year	18⅝-18¼	11⅞	10⅛	10.05-10.10	9¼-9½	10¼-10⅜
Two years	—	11⅞	—	—	—	—
Three years	—	11⅞	—	—	—	—
Four years	—	11¾	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period February 9 to March 6 1985 (inclusive): 13.883 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 13-13½ per cent. London Deposit Rates for sums at seven days' notice 10½-10⅝ per cent. Treasury Bills: Average tender rates of discount 12.3571 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13½ per cent; one-three months 13¼ per cent; three-six months 12¾ per cent; six-nine months 12¾ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from March 29. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. March 29)

Three months U.S. dollars	
bid 9	offer 9 1/8
Six months U.S. dollars	
bid 9 7/16	offer 9 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 29	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	13¾-14	8⅛-8⅛	9¼-10¼	5⅝-6¼	1⅛-1⅜	0⅝-5¾	10⅛-10⅛	15⅞-14⅞	9¾-10¼	10⅛-10⅝	6⅛-6⅛	8⅝-10¾
7 day's notice	13⅝-13⅞	8⅛-8⅛	0¼-10⅝	5⅝-6¼	2⅛-2⅜	5⅝-5⅜	10⅛-10⅛	14¾-13¼	10-10½	10¼-10½	6⅛-6⅞	11-12
Month	15⅝-13¾	8⅝-8¾	10⅛-10⅛	6⅛-6⅛	5¼-5⅝	5⅝-5¾	10⅛-10⅛	14½-15	10⅝-10⅝	10⅜-10⅝	6¼-6⅞	11¼-11¾
Three months	15⅛-13¼	9-9½	10⅝-10⅜	5⅛-7	5½-5⅝	5⅞-6	10⅞-11	14⅛-15	10⅜-10⅝	10⅝-10⅝	6⅛-6⅝	11⅛-11⅝
Six months	12⅜-12½	9⅛-9⅛	10⅞-11⅛	8⅛-7⅛	5½-5⅝	5⅛-6¼	11⅛-11⅛	13-13⅝	10½-10¾	10⅛-10¾	5⅝-6⅞	10¾-11¼
One year	11⅞-12⅛	10⅛-10¼	11⅛-11⅛	7.7⅞	5⅝-5⅛	8¼-6⅝	11¾-19	15⅝-16⅞	10¾-11	10¾-11	5⅝-5⅞	11-11½

Asian $ (closing rates in Singapore): Short-term 8⅝-9⅛ per cent; seven days 8¹⁵⁄₁₆-8¹³⁄₁₆ per cent; one-month 9¹¹⁄₁₆-8¹³⁄₁₆ per cent; three months 8-9⅛ per cent; six months 9⅝-9⅞ per cent; one year 10½-10¼ per cent. Long-term Eurodollars: two years 11⅛-11⅝ per cent; three years 11⅛-11⅝ per cent; four years 11⅝-12 per cent; five years 12-12¼ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984/85 High	1984/85 Low
METALS					
Aluminium					
Free Market c.i.f.	$1135/1155	+5	$1440/1470	$3575/3825	$1025/1675
Antimony					
Free Market 99.6%	$2950/3200	+125	$3150/3200	$3575/3825	$2450/62
Copper Cash High Grade	£1146.5	−48.5	£1081.0	£1500.70	£946
3 months Do. Do.	£1180.5	−48.73	£1097.75	£1351.75	£969.75
Gold per oz	$330	+14.5	$388.25	$406.70	$284.75
Lead Cash	£297.5	−5	£345.5	£390.5	£259.5
3 months	£305.75	−6.5	£345.25	£387.87	£279.25
Nickel					
Free Markets c.i.f. lb	238/268c	—	218/238c	259/269c	203/220c
Palladium per oz	$116.25	+3.65	$161.25	$162.25	$109.75
Platinum per oz	$284.50	+13.75	£272.95	$411.25	$244.20
Quicksilver (76 lbs)	$285/885	—	$306/316	$313/318	$285/996
Silver per oz	537.10p	−4.90	670.15p	679.70p	508.60p
3 months per oz	556.80p	−5.00	684.15p	694.40p	522.20p
Tin cash	£9,638.5	−27.5	£8605	£10,297.5	£8570
3 months	£9,639.0	−30	£8697.5	£10,252.0	£8617.6
Tungsten Ind	$76.70	—	$76.35	$89.50	$73.44
Wolfram (22.04 lb.)	975/78	—	$84/88	$86/90	$64/68
Zinc cash	£758.5	−8.5	£789.5	£844.5	£592.5
3 months	£718.75	−27.75	£706.5	£822.5	£594.5
Producers	$900/940	—	$1,000/90	$1050/1090	$900
GRAINS					
Barley Futures	£98.45u	−0.05	£106.45	£123.55	£105.65
Maize French	£150.00	—	£147.00	£154.50	£143.00
WHEAT Futures	£123.25w	−0.20	£107.55	£130.50	£105.55
SPICES					
Cloves	£4,000	—	£5,400	£5,000	£4,000
Pepper white	£3,650	—	$3,100	$3,650	$9,900
black	£2,900	—	$1,800	$2,800	$1,800
OILS					
Coconut (Philippines)	$850z	+10	$1,150	$1,575	$730
Palm Malayan	$650u	+20	$705	$1,000	$550
SEEDS					
Copra (Philippines)	$510y	+10	$760	$856	$450
Soyabeans (U.S.)	$254.8x	+2.5	$322	$3589	$256.75
OTHER COMMODITIES					
Cocoa Futures May	£2098.5	−27.5	£1823.0	£2,268.5	£1658
Coffee Futures May	£2168	−118.5	£2032.5	£2,512	£1,899.5
Cotton Index	07.55c	+0.2	89.00c	90.10c	66.65c
Des. Coconut	£1,060	—	£1,300	£1,545	£993
Gas Oil Fut. April	$251.75	−0.5	$249.5	$257.75	$214.95
Jute LJA BWC grade	$850	—	$500	$890	$465
Rubber kilo	65.5p	−0.5	77.75p	91p	58p
Sisal No. 5L	$623	—	$630	$570	$523
Sugar (Raw)	$108.5zu	−6.3	£118	$194	$92
Tea (quality) kilo	‡	—	396p	375p	257p
(low med) kilo	178p	−10	218p	280p	178p
Wooltops 64s Super	505p kilo	—	456p kilo	528p kilo	493p kilo

‡ Unquoted. (g) Madagascar. (x) April (y) April-May. (z) March-April. (u) May. (v) May-June. (w) July. (t) Sept.

OIL

The crude oil market still lacked direction. Trading was extremely thin. Prices have a fragile stability and seem set for a downturn. In the petroleum products market gas oil prices were weaker in thin trade. Although it is now uneconomic to sell gas oil to the U.S. offers remain high because European supply is short. Lower prompt heavy fuel supplies were reported with demand from companies facing temporary refinery closures—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	27.70-27.80	−0.05
Arab Heavy	25.50-28.60	—
Dubai	27.10-27.20	—
Brent Blend	28.00-28.10	−0.05
W.T.I. (1pm est)	28.10-28.20*	−0.10
Forcados (Nigeria)	27.95-28.05	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	259-272	+5.5
Gas Oil	23 260	−1
Heavy fuel oil	151-159	+2.5

* May

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or −	
	$ U.S. per tonne		
March	246.00	+2.50	248.50-45.25
April	251.75	−3.00	254.50-51.75
May	229.25	−9.00	251.80-29.25
June	294.25	−1.75	225.75-25.00
July	224.00	−1.50	226.00-25.75
Aug	226.00	−1.00	228.00
Sep	225.00	−5.50	—

Turnover: 1,892 (1,676) lots of 100 tonnes.

GOLD

Gold rose $3 an ounce from Thursday's close in the London bullion market yesterday to finish at $329½-330½. The metal opened at $331½-333, which proved to be the day's high and touched a low of $329-330. The weaker trend reflected a steadier tone by the dollar although some interest after the opening in New York helped the metal finish a little above the day's low.

GOLD BULLION (fine ounce) Mar. 29

Close	$328½-330½	(£267¾-268¾)
Opening	$331½-333	(£265½-266)
M'n'g fix	$329.80	(£264.687)
Aft'n'n fix	$329.25	(£265.524)

GOLD AND PLATINUM COINS

Kr'g'rnd	$340-340¾	(£275½-277)
½ Krug.	$174¾-175½	(£141-142¾)
¼ Krug.	$89-89¾	(£72¼-73)
1/10 Krug.	$36-36¾	(£29¼-50)
Mapleleaf	$340¼-340¾	(£277¾-277)
New Sov.	$77½-78½	(£63-63½)
½ New Sov	$46¾-47½	(£38-38½)
Old Sov.	$77-78½	(£62½-64)
$20 Eagle	$440-480	(£357¾-390¼)
Noble Plat	$293½-207½	(£256¾-240)

INDICES

FINANCIAL TIMES

Mar. 28	Mar. 27	M'th ago	Year ago
294.04	294.62	295.73	306.94

(Base: July 1 1952 = 100)

REUTERS

Mar. 29	Mar. 28	M'th ago	Year ago
1926.2	1957.8	2020.4	2001.2

(Base: September 18 1931 = 100)

MOODY'S

Mar. 28	Mar. 27	M'th ago	Year ago
959.6	966.2	949.3	1,080.6

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Mar. 28	Mar. 27	Month ago	Year ago
Spot	120.28	120.74	117.45	142.95
Fut.	123.83	125.01	120.32	145.54

(Base: December 31 1974 = 100)

REVIEW OF THE WEEK

Currency changes hit London base metals

BY OUR COMMODITIES STAFF

LONDON METAL markets suffered a traumatic time this week. While precious metals forged ahead, with gold gaining $14.50 to $330 an ounce, sterling prices of base metals came down sharply. On the London Metal Exchange, the three months delivery price of higher grade copper lost £48.75 to £1,165.5 a tonne.

Currency changes, particularly the dollar/sterling parity rate, continued to dominate metal price movements. Copper fell sharply in London in spite of news that Kennecott, the biggest U.S. producer, planned to close down its Utah copper division, including the famed Bingham Canyon mine.

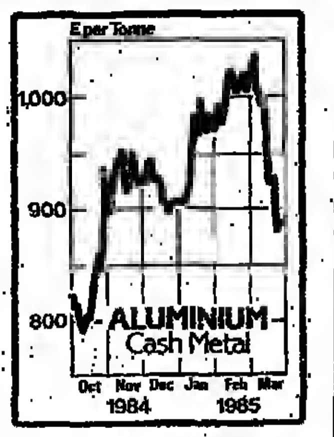
The company later announced that as a result of the closure it would be unable to honour supply contracts to overseas customers if some 3,000 tonnes a month and would also not renew its "evergreen" supply contracts to domestic customers in the U.S. when they expired on June 30 until it had reviewed the situation. Hard on the heels of the Kennecott move came news of Phelps Dodge, the second biggest U.S. producer, closing its Ajo smelter in Arizona and confirmation that Asarco was shutting down its Tacoma smelter. London traders noted that copper prices on the New York (Comex) failed to respond much to the supply contracts and the lower dollar.

Latest economic indicators from the U.S. suggesting a downturn in industry, and in demand for metals, is a general depressing influence over and above the fall in the value of the dollar. Other base metal prices also came under pressure reflecting these twin factors. The cash price of aluminium lost £42.5 to £889 a tonne and there were heavy losses too in nickel.

Tin, however, was held up by support buying by the buffer stock of the International Tin Council, which appeared to be using the currency chaos as an opportunity to boost prices. At this week's meeting of the International in Council the buffers stock manager was given permission to operate below the "floor" price of the International Tin Agreement, if necessary. He celebrated this new found freedom by keeping London values up, and forcing the Straits tin price in Malaysia up above the "floor" level of $M29.15 (to $M29.44) a kilo for the first time since November last year.

Cocoa and coffee prices were also pushed lower by the currency factor but a wide divergence in their degrees of response served to illustrate profound differences in background sentiment in the two markets.

The cocoa market continued to be relatively steady with the May position ending only £27.50 down on the week at £2,028.50 a tonne. Dealers said trade support was evident yesterday at this reduced price level though manufacturer demand was still slack. They also noted that producer countries were showing little interest in selling at current prices.



In contrast coffee futures prices made heavy losses. Despite rallying on Monday after last week's sharp decline the May position ended £118.50 down on the week. Apart from the depressing influence of sterling's strength against the dollar coffee prices were affected by Brazil's decision to offer more incentives to buyers for April shipments. Some traders thought coffee prices might soon be due for a rally as the market had become heavily oversold. But they did not think any upward adjustment would be substantial.

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,143, three months £1,160, 60.5, 62, 65, 64, 63.5, 63, 62.5, 62. Standard: Cathodes: Kerb: Higher Grade: Three months £1,161, 60, 59, 59.3, 60. Afternoon: Higher Grade: Cash £1,146, three months £1,164, 63, 64, 65, 66, 67, 66. Kerb: Higher Grade: Three months £1,162, 60, 59, 60, 61, 62, 62.5, 63, 64. Turnover: 16,475 tonnes. U.S. Producers: 67-70 cents a pound.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	1143-3	+5	1145-6	−4
3 months	1161.5-2.5	+2.5	1165-6	−4.5
Settlem't	1145	+3	—	—
Cathodes				
Cash	1146-8	+5	1157-9	−0
3 months	1159-61	+5	1155-60	−5.5
Settlem't	1148	+5	—	—

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	9570-80	−22.5	9030-40	−20
3 months	9610-20	−41.5	9605-70	−17
Settlem't	2580	+25	—	—
Standard				
Cash	9570-80	−22.5	9630-5	—
3 months	9580-5	−32.5	9630-5	12.0
Settlem't	9580	+30	—	—
Straits E.	$29.41		—	—

Tin — Morning: Standard: Three months £9,580, 70, 75, 80, 75, 75, 80. High Grade: Three months £9,600, 10. Kerb: Three months £9,575, 80. Afternoon: Standard: Three months £9,590, 80, 610, 20, 30, 35. High Grade: Three months £9,640, 60, 65, 70, 60, 70. Kerb: Standard: Three months £9,620, 30, 35. Turnover: 2,005 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	293-4	+1	297-8	+4.5
3 months	30-2.5	+1	305.5-6	+3.5
Settlem't	294	+1	—	—

Lead—Morning: Three months £300.5, 300, 301, 300.5. Kerb: Three months £302, 2.5, 3, 3.5. Afternoon: Three months £303, 04, 05, 05.5. Kerb: Three months £305, 04, 05. Turnover: 8,075 tonnes. U.S. Spot: 18-22 cents a pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	758-9	+1	758-9	+5
3 months	718.5-9	−8.75	718.5-0	+3
Settlem't	759	—	—	—

Zinc—High Grade Official/Unofficial prices: Cash am £777-£782, pm £780-£782. Three months am £745-£750, pm £755-£756. Settlement: £782. Morning: Three months £718, 18.5. Kerb: Three months £710, 18, 15. Afternoon: Cash £721, 23, 24, 26, three months £729, 30. Kerb: Three months £727, 25, 26, 27, 26.5. Turnover: 8,625 tonnes. U.S. Prime Western: 45.50-45.75 cents a pound.

ALUMINIUM

Alumn'm	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	881.5-2	−4.75	888-90	—
3 months	911-.5	−5.25	917-.3	−1.57

Aluminium—Morning: Cash £883, 82, three months £913, 12, 10.5, 11, 11.5. Kerb: Three months £911, 11.5, 12. Afternoon: Three months £917, 18. Kerb: Three months £914, 16, 16, 17. Turnover: 15,325 tonnes.

NICKEL

Nickel—Morning: Cash £4,240, 83, three months £4,285, 75. Afternoon: Three months £4,300, 20, 30, 33. Kerb: Three months £4,300, 4,295, 4,300, 4,310.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	4235-40	−62.5	4293-300	+11
3 months	4270-80	−52.5	4339-5	+10

Turnover: 1,422 tonnes.

SILVER

Silver was fixed 3.8p an ounce higher for spot delivery in the London bullion market yesterday at 537.1p. U.S. cent equivalents of the fixing levels were: spot 666c, up 9.5c; three-month 680.3c, up 9.5c; six-month 697.4c, up 10.55c; and 12-month 731.45c, up 2.4c. The metal opened at 529-532p (665-668c) and closed at 539-542p (663-666c).

SILVER per troy	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	537.10p	+3.80	536p	+2
3 months	553.80p	+3.90	554p	+1.25
6 months	569.70p	+5.20	—	—
12 months	597.85p	+3.40	—	—

LME—Turnover: 30 (56) lots of 10,000 oz.

Morning: 2nd ring cash 535.5, three months 553.5, 53.2. Kerb: untraded. Afternoon: 1st ring three months 554.5. Kerb: untraded.

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
March	—		2005-1990
May	2028-2029	−4.0	2057-2017
July	1985-1989	−5.5	1998-1979
Sept.	1949-1950	−18.5	1984-1948
Dec.	1882-1887	−9.0	1898-1884
Mar.	1880-1888	−5.0	1885-1079
May	1880-1883	−3.0	1890

Sales: 2,565 (4,951) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for March 29: 107.62 (107.44); five-day average for April 1: 106.66 (105.55).

COFFEE

COFFEE	Yesterd'ys Close	+ or −	Business Done
March	—		2135-20
May	2166-70	−40.0	2183-65
July	2212-15	−38.0	2226-02
Sept.	2238-42	−51.0	2252-37
Nov.	2261.00	−50.0	2270-54
Jan	2241-45	−45.5	2250-40
March	2200-10	−59.5	2240-00

Sales: 2,978 (3,451) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for March 28: Comp daily 1979 133.91 (133.71); 15-day average 132.90 (132.71).

GRAINS

Business done—Wheat: May 120.15-20.00, July 123.75-3.25, Sept 98.45-8.30, Nov 101.70 only, Jan 105.05-5.00. Sales: 95 lots of 100 tonnes. Barley: May 119.85-6.50, Sept 98.45-8.40, Nov 102.10-2.00, Jan 105.25 only. Sales: 62 lots of 100 tonnes.

WHEAT Mnth	Yesterd'ys close	+ or −	BARLEY Yesterdys close	+ or −
May	119.65	−0.40	118.50	−0.05
July	125.25	−0.40	—	—
Sept.	98.30	−0.25	98.45	—
Nov	101.05	−0.15	102.00	—
Jan	105.05		105.20	−0.05

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent March 159.50, April/May 148.60, June 149.60, July 149.70 transhipment east coast. U.S. No 2 soft red winter May 151.50, July 133.75, Aug 134.75 transhipment east coast. EC French July 119 cif free out south/west coast. English feed fob April 122, April/June 123.75, Aug/Sept 99.50, Sept 99.00, Oct/Dec 104.50 sellers east coast. Maize: U.S. No 3 yellow/French transhipment east coast March/April 152. Barley: English feed fob April 119.25, Sept 101, Oct/Dec 104.50 sellers east coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 114.70, E. Mids 115.30, N. East 116.90, Scotland 113.30. The UK monetary coefficient for the week beginning Monday April 8 (based on HGCA calculations using 5 days' exchange rates) is expected to change to 0.990.

PIGMEAT

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
April	108.20	108.40	108.50-108.00
June	106.60	106.90	106.50 —
Aug.	106.30	103.50	102.30 —
Oct	108.00	108.20	108.00 —
Nov.	109.70	109.60	108.80-108.70
Feb.	100.00	100.30	—

Sales: 28 (132) lots of 50 carcases, 3,250 kg.

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	41.20	43.50	
May	31.50	01.40	
Nov.	75.50	74.00	
Feb.	81.50	82.50	
Apr.	07.80	99.00	98.50-8.00

Sales: 896 (747) lots of 40 tonnes.

RUBBER

PHYSICALS — The London market opened unchanged, attracted little interest throughout the day and closed easier, reports Lewis and Peat. Closing prices (buyers): spot 65.50p (66.00p); May 72.25p (72.50p); June 73.00p (73.25p).

The Kuala Lumpur fob price for April RSS No 1 was 202.0 cents a kg and for SMR 20 was 199.0.

SOYABEAN MEAL

	Yesterday close	+ or −	Business Done
	£ per tonne		
April			
June	133.5-134.0	−0.25	134.0-133.4
August	135.0-135.7	−0.40	133.2-132.7
October	137.5-137.0	−0.10	137.7-136.7
Dec.	141.5-142.5	−1.50	—
Feb.	147.0-147.5	−1.75	148.0-147.8
Apr.	—		—

Sales: 398 (867) lots of 20 tonnes.

SUGAR

Sales: 2,627 (2,142) lots of 50 tonnes.

Tate & Lyle delivery price for granulated base sugar was £197.00 (£199.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for March 29: Daily price 3.67 (3.84); 15-day average 3.78 (3.81).

No. 5 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	112.8-113.0	112.4-112.6	115.2-112.6
Aug.	116.2-116.8	115.4-115.6	116.6-116.8
Oct	118.4-118.8	119.2-119.4	120.5-118.8
Dec.	124.4-125.8	125.0-126.5	125.4 —
Mar.	150.8-137.0	158.0-158.2	138.8-136.0
May	142.0-142.4	143.0-145.2	14.50 —
Aug.	147.0-146.4	148.0-148.0	—

LONDON DAILY PRICE—Raw sugar $108.50 (£87.50), a tonne for March-April-May delivery. White sugar $131.00.

AMERICAN MARKETS

PRECIOUS METALS rallied with foreign currencies as speculative interest became very active on the dollar's decline, reports Heinold Commodities. Copper advanced as arbitrage buying dominated the market. Aluminium moved moderately higher with the currencies providing the main source of support. Cocoa traded higher in the nearby months on fears of tight supplies while deferred contract declined on prospects of sharply higher production in the Ivory Coast. Coffee rose on indications that Brazil would be willing to reconsider the announced elimination of the individual export quota system; light buying by processors and dealers provided further support in the market. Sugar advanced moderately as selling dried up at present levels while speculative commission house buying continued to be attracted by low prices.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	49.35	—	—	48.90
May	49.75	49.75	49.45	49.30
June	50.15	—	—	—
July	50.60	50.45	50.40	50.15
Sept	51.45	01.25	61.25	61.00
Dec	52.70	52.65	52.50	52.25
Jan	53.10	—	—	52.65
March	53.90	—	—	53.45
May	54.70	—	—	54.25
July	55.50	—	—	55.05

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
May	2475	2488	2442	2453
July	2251	2265	2246	2260
Sept	2220	2240	2212	2231
Dec	2165	2185	2150	2174
March	2145	2180	2143	2170
May	2165	—	—	2170
July	2170	—	—	2170

COFFEE "C" 37,000 lbs, cents/lbs

	Close	High	Low	Prev
May	144.43	44.50	41.80	42.55
July	144.04	44.10	41.90	42.69
Sept	143.58	43.60	41.80	42.60
Dec	142.70	42.95	41.50	42.25
March	142.50	42.50	42.50	42.00
May	141.75	—	—	41.25
July	140.25	—	—	40.25

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
April	62.15	62.15	62.13	61.55
May	62.60	62.70	62.20	62.00
June	63.00	—	—	—
July	63.30	63.40	62.90	62.65
Sept	63.80	63.70	63.35	63.10
Dec	64.50	64.65	64.10	63.75
Jan	64.70	—	—	63.95
March	65.13	64.95	64.95	64.35
May	65.65	65.50	65.45	64.85
July	66.20	—	—	65.40

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
May	67.60	67.75	67.06	67.18
July	66.45	66.60	65.92	66.00
Oct	65.35	65.35	65.35	65.51
Dec	65.66	65.80	65.56	65.61
March	66.85	66.85	66.85	66.73
May	67.50	—	—	67.50
July	67.70	—	—	67.70

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
May	28.26	28.33	28.08	28.25
June	27.76	27.85	27.63	27.88
July	27.53	27.55	27.39	27.66
Aug	27.42	27.45	27.35	27.49
Sept	27.35	27.48	27.25	27.34
Oct	27.13	21.15	27.15	27.50
Nov	27.30	27.30	27.30	27.50
Dec	27.35	27.35	27.35	27.50
Jan	27.35	—	—	27.50
Feb	27.35	—	—	27.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	329.8	333.0	328.2	326.8
May	331.8	—	—	329.1
June	334.1	337.2	331.6	331.4
Aug	338.7	341.5	337.0	336.1
Oct	343.8	346.8	343.0	341.2
Dec	349.2	351.2	347.0	346.7
Feb	355.0	355.7	355.7	352.5
April	360.8	363.0	362.5	358.3
June	367.0	370.0	366.8	344.5
Aug	373.3	—	—	370.9
Oct	379.9	—	—	377.6
Dec	386.9	—	—	384.6
Web	393.8	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	068.7	—	—	658.2
May	672.3	678.0	666.3	662.0
June	677.3	—	—	—
July	682.1	698.0	676.5	677.6
Sept	693.0	699.6	689.0	682.5
Dec	710.8	717.0	706.0	700.1
Jan	716.7	—	—	706.2
March	728.7	735.0	726.0	718.2
May	741.8	740.0	738.0	731.4
July	756.4	753.3	750.0	744.8

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
April	81.00	81.00	79.35	80.27
May	75.70	75.80	75.00	76.23
June	72.95	73.75	72.60	74.00
July	72.25	73.05	72.05	73.10
Aug	72.70	72.90	72.70	73.70
Sept	73.40	74.00	73.45	74.50

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	281.4	286.0	280.0	277.0
July	287.2	293.0	285.0	282.0
Oct	293.5	299.0	292.5	288.0
Jan	300.0	303.5	301.0	294.5
April	307.3	—	—	301.8

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
May	161.60	62.50	61.20	61.40
Sept	162.10	62.20	62.00	61.80
Nov	161.15	61.60	61.00	61.00
Jan	160.90	60.75	60.75	60.75
March	161.30	61.15	61.16	61.00
May	101.30	—	—	61.25
July	161.30	—	—	61.25

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
May	3.86	3.90	3.82	3.80
July	4.00	4.06	3.99	3.67
Sept	4.10	4.20	4.08	4.11
Oct	4.21	4.31	4.21	4.24
Jan	4.65	4.65	4.65	4.82
March	5.06	5.17	5.05	5.10
May	5.25	3.38	5.25	5.35
July	3.49	5.49	5.49	5.59

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	65.07	65.65	64.55	64.47
June	67.20	67.45	66.70	66.87
August	66.17	66.70	66.00	66.25
Oct	64.12	64.32	64.00	64.07
Dec	65.20	65.42	64.90	65.22
Feb	65.55	65.75	65.45	65.65
April	66.75	66.75	66.75	67.07

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
April	44.85	45.35	44.25	45.15
June	49.57	50.85	49.40	50.55
July	51.37	52.47	31.15	52.27
August	51.47	52.50	61.40	52.35
Oct	48.30	48.90	48.05	48.65
Dec	48.90	49.65	48.80	49.45
Feb	49.50	49.85	48.40	49.70
April	46.60	47.00	46.80	47.30
June	48.85	48.85	48.50	48.85

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
May	281.2	282.0	280.0	279.6
July	281.4	281.9	280.0	280.0
Sept	272.0	272.6	271.0	271.0
Dec	267.6	268.0	265.4	265.2
March	276.2	276.4	274.2	273.6
May	282.0	282.0	280.4	280.4
July	285.0	285.0	283.2	283.2

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
May	71.82	73.85	71.75	73.50
July	72.57	74.40	72.42	74.22
August	70.60	72.95	70.75	72.55
Feb	75.47	76.00	75.10	75.75
March	75.30	75.50	75.00	75.30
May	75.35	75.33	74.80	75.35
July	75.10	75.15	74.80	75.10

SOYABEANS 5,000 bu min, cents/60lb bushel

	Latest	High	Low	Prev
May	605.0	610.4	604.0	607.2
July	914.0	619.6	813.0	616.8
Aug	016.0	020.0	613.0	618.0
Sept	910.2	914.0	609.0	612.4
Nov	612.2	610.0	610.4	613.5
Jan	623.0	626.0	622.0	624.4
March	634.4	637.0	634.4	635.0
May	643.4	645.0	643.4	643.0
July	649.4	—	—	549.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	138.1	139.1	137.8	138.4
July	144.1	145.2	143.8	144.6
Aug	147.2	148.0	146.9	147.5
Sept	149.3	160.6	149.6	149.8
Oct	152.0	154.0	152.0	152.5
Dec	157.0	158.0	156.5	157.4
Jan	159.0	160.8	159.0	159.5
March	164.0	164.5	164.0	164.6

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
May	30.52	30.60	30.00	30.09
July	28.85	28.75	28.40	28.42
Aug	27.58	27.80	27.45	27.42
Sept	26.75	25.80	25.60	25.65
Oct	25.80	25.85	25.61	25.7[illegible]
Dec	24.83	25.10	24.80	25.[illegible]
Jan	24.57	24.80	24.56	24[illegible]
March	24.43	24.60	24.40	2[illegible]
May	24.40	24.40	24.40	[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	356.4	357.4	355[illegible]	[illegible]
July	338.4	337.0	33[illegible]	[illegible]
Sept	337.0	337.0	3[illegible]	[illegible]
Dec	347.4	347.6	[illegible]	[illegible]
March	352.0	353.0	[illegible]	[illegible]
May	348.0	—	[illegible]	[illegible]

SPOT PRICES — Chi[illegible] 24.00 (same) cents p[illegible] York tin 550.0-75.0 [illegible] per pound. Handy [illegible] bullion 667.0 (658[illegible] ounce.

T30/3

Ibstock Johnsen doubled to £12m.

AS WELL as near doubling its profit to £12.42m in 1984, Ibstock Johnsen is raising its dividend from 5.5p to 8p net, with a final of 5.5p, and making a 1-for-1 scrip issue. Accompanying the preliminary figures are details of an acquisition costing £5.5m, and representing Ibstock's initial step into clay roof tiles.

Turnover of the group, which deals in building products, woodpulp and merchant paper and board, rose from £87.7m to £110.29m. The profit was in the middle of the range expected by the City, and compared with £6.3m in 1983.

Both sides of the buildings products division showed progress, with the UK increasing its trading profit from £11.26m to £13m and the U.S. cutting its loss from £1.28m to £727,000. The fibres side showed a dramatic £2m surge to £2.25m.

As regards the current year, the directors are looking for another period of "excellent results." There have been difficulties in the first quarter but this should be balanced out by the increasing momentum in the U.S. and results of investment and acquisitions in the UK.

The acquisition is that of H. F. Warner, which manufactures clay roof tiles and owns substantial reservesof clay at its 100 acre freehold site near Maidenhead, Berkshire. Cost of the acquisition includes the cancellation of directors' service contracts. Settlement is by the issue of some 1.6m Ibstock shares which areto be placed in the market, and by a deferred cash payment of £1m due within six months of completion.

For 1984 Warners' profits before directors' remuneration came to £592,000. Net assets at the end of the year were £1.1m, including cash of £741,000 but excluding a valuation of the clay reserves.

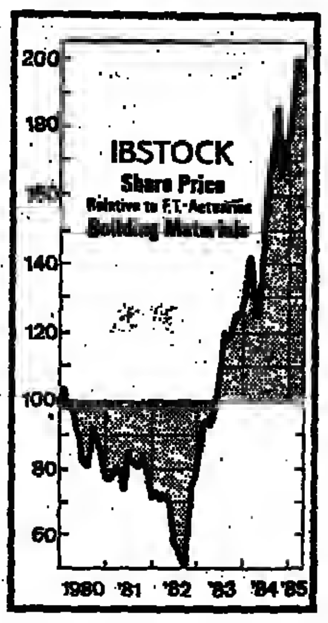
The new shares represent some 5.1 per cent of the enlarged capital. They will be entitled to participate in the Ibstock final dividend and scrip issue.

On the current year the directors report that after a succession of mild winters in the UK, the first two months of 1985 have been affected by severe weather and results were therefore below expectations.

Recovery is taking place and they hope that, if not by the end of the first half then at least by the end of the year, ground lost in January and February will have been regained.

A combination of factors favoured the fibres division. One was the recovery early in the year of the price of pulp and another was unusually favourable exchange rate movements. Benefits were also achieved from the major investment programme of the associate Eucalyptus Pulp Mills, and the return to profitability of the board and packaging subsidiary.

After tax £4.94m (£2.28m) the net profit comes to £7.47m



(£4.02m) for earnings of 26.07p (14.08p) per share. The rationalisation of production units has meant a write off of £4.6m, of which half has been charged as an extraordinary item and the other half against reserves.

The vendor placing for the Warner acquisition was carried out; not by Ibstock's own broker Laing and Cruickshank, but by Grieveson Grant, the firm in which Ibsock's merchant bank Kleinwort Benson has bought a stake in the City revolution.

● comment

Ibstock Johnsen had enough in reserve to beat market forecasts by a fraction and send its shares up 12p to 315p with these figures. After the last three dramatic years in which the company has recovered steeply from a £1.9m loss in 1982, and beat off a London Brick bid on the way, this year's advance will be more steady. In the UK, Ibstock should sell only a few million more bricks, given the dull market, but with prices rising, margins should be better. In Fibres, last year's bumper profits on the back of soaring pulp prices can scarcely be matched. In the U.S., there are faint signs that Ibstock's five years' hard work will at last pay off, and profits, albeit small, are in sight. But this is not to suggest that Ibstock has little more to offer investors—in the U.S. above all the potential is enormous with the capacity of 500m bricks a year against under 300m in the UK. Even with undemanding margins, the business could make trading profits of £10m against perhaps £1m-£2m this year. In the UK, there canot be much more Ibstock can do in bricks, but the Warner acquisition opens up the road to making tiles. The shares trade on a justifiable premium to the sector—on current-year profits of £16m and a 35 per cent tax charge they are on a prospective multiple of just under 9.

Automated Security advances to £6.3m

Automated Security (Holdings), the electronic security group, achieved solid growth in 1984 with pre-tax profits up 42 per cent from £4.4m to a record £6.26m, on turnover 19 per cent higher at £28.91m, against £24.21m. The result was in line with last October's forecast of not less than £6m.

The year's results exclude any income from Network Security Corporation, in which the group acquired a 26.6 per cent holding in November. This month, Network announced its 1984 figures, which showed turnover up 95 per cent to US$39.1m and pre-tax profits 290 per cent higher at $5.04m (£4.1m).

Automated's operating profits for the year to November 30 climbed by 58 per cent, while profit margins increased from 18 per cent to 22 per cent. Rental income was up 10 per cent at £12m. During the year the divisional structure of the company became fully operational and the management of each division was strengthened.

Tax took £414,000 (£244,000) and stated earnings per 10p share were ahead from 8.22p to 10.8p. As forecast, a final dividend of 0.76p net raises the total from 1.03p to 1.24p.

Following the Network purchase and the related rights issue, the group's financial position is very strong, the directors state. They say they look to the future from a stronger trading base, a healthier financial position and with a more professional and well structed operation than ever before.

Goodwill written off in the period amounted to £1.58m (£1.15m).

In January 1985 the group purchased Aerospace Communications Systems for £825,000 in cash.

● comment

ASH have produced results just slightly above market forecasts and with the improvement in margins the historic multiple is up to almost 18 at 192p. The group is rapidly expanding in both the UK and the U.S. At home the number of branches has risen from 33 at the interim to 40. In the U.S. the group took a 27 per cent stake, for £14.1m, in Network Security, contributions from which are expected next time. Changes in allowances for capital spending are, however, going to see the tax rate rising steadily. In 1984 it was only 6.6 per cent but analysts have 22 per cent (also impacted by the higher U.S. tax rates) for this year. The market is expecting £9.7m pre-tax with £2.1m of this from the U.S., hence a prospective of almost 14.

Prestwick flotation will aid expansion programme

BY STEFAN WAGSTYL

Prestwick Holdings, one of Europe's largest makers of printed circuit boards, is to be floated on the Stock Exchange next month with a market capitalisation of about £20m.

The company is seeking a listing to raise about £5m to help pay for a £13m expansion programme at its factories at Ayr and at Irvine in Scotland.

Prestwick, with sales running at about £20m a year, says that once the new plant is installed its capacity will be more than double that of its nearest UK rivals, which include subsidiaries of STC and Plessey.

Prestwick concentrates on plated-through-hole boards — where components on two sides can be corrected together — which have the largest market and the widest range of uses — including computers and office equipment, telephone exchanges and electronic engine management systems. Among the customers are GEC, Ferranti, Rank Xerox and Lucas.

The company was formed in 1969 by two qualified engineers — Mr William Miller, the managing director, aged 52, and 56-year-old Mr Christopher Rivett, deputy managing director. They were helped by Mr Miller's brother, Mr Eric Miller, who became chairman, and money was largely raised by the Miller family.

Prestwick grew first by supplying the nascent Scottish electronics industry, then it sold to other parts of the UK and later abroad, particularly to western Europe.

In 1978, the company made two acquisitions — and both turned out badly. It acquired 81 per cent stakes in GB Technology, a UK maker of computer typesetting equipment for the newspaper industry, and in USW, a U.S. specialist in electronic circuit wiring.

After cumulative losses of about £1m, and a £200,000 write-off against the balance sheet, GBT was sold last year to its managers. USW was finally brought into profit last year, again after losses totalling £1m, caused by mounting development costs and recession.

Mr William Miller said: "We learnt a lot about diversification. Which isn't to say we'll never diversify."

The impact of the recession on Prestwick's pcb business came just at the time as it was wrestling with the problems of GBT and USW.

While the GBT lossea have been stripped out of the group profit after the sale of the business, those of USW have not. Prestwick plunged from a pre-tax profit of £566,000 on sales of £5.3m in 1980 to a loss of £157,000 on sales of £6.6m in 1982.

However, Prestwick continued to invest in plant to drive down production costs and win market share by lowering prices. The company consciously switched from being a high-margin low-volume producer to a high-volume low-margin business.

Prestwick also opted to concentrate on improving production processes rather than forging ahead to the limits of pcb design. Mr William Miller said: "Our strategy is always to do better at what we are already good at, rather than look into specialist high-technology niches."

The company's recovery in the past three years seems to prove the directors right. Sales have picked up quickly, climbing to £9.7m in 1983, £14.4m in the year to last July, and a forecast £20m or so in the current year. After 1982's loss, pre-tax profits reached £461,000 in 1983, £1.1m last year, and are likely to be well over £1.5m this year.

The most recent performance is the most significant — Prestwick has succeeded in increasing sales and profits against a background of falling prices in the industry as the home computer makers slashed orders in the face of falling demand in the High Street.

Second Market £6.4m rights

Second Market Investment Company, an investment trust launched last October to specialise in fledgling French equities, is tripling its size with a two-for-one rights issue raising £6.4m after expenses.

Investing in the "second market," the French equivalent of Britain's USM, the trust currently trades at a premium to net asset value per share of 10.93p, which itself is up from October's 9.62p. Yesterday, the shares were trading at 13½p, unchanged.

Second Market initially raised £2.9m after expenses through a placing of 30m shares at 10p each. In the rights issue, it is issuing 60m new shares at 11p each. Holders of 65 per cent of existing equity have indicated they will take up their rights, although not fully, since they have spoken for only 20m new shares.

The remainder has been underwritten by Lombard Odier, a Swiss bank which manages the trust.

Contested £7m bid for Ingall gathers steam

THE £7.3m contested takeover bid by the Greater Midlands Co-operative Society for Wolverhampton-based funeral director, Ingall Industries, gathered steam yesterday with the publication of the Co-op's offer document.

The Co-op, anxious to boost its funeral business in the Midlands, claimed that Ingall's recent aggressive expansion had left it over-geared. "Ingall does not appear to have any substantial cash resources to continue its growth in this manner."

But Ingall's advisers, County Bank, dismissed the claim. "The offer is ridiculous and the document contains nothing new," said Mr Tim Seymour at County Bank.

The Co-op is offering 80p cash for each Ingall ordinary share which it says is 8 per cent over the average price of Ingall's shares over the past two years. Ingall's shares closed unchanged last night at 91p.

In the offer document, the Co-op advised by the Manchester Exchange Trust, discloses that its funeral division had a turnover of £2.2m on 4,661 funerals. But no profits are revealed. Mr Norman Reid, the Co-op's finance director, said this was due to shared overheads within the Co-op's business which includes dairy processing, electrical discount stores and supermarkets.

The document also forecasts a £2.75m deficit for 1985, before an extraordinary item arising from the £25m sale of a central Birmingham property. Mr Reid said the proceeds of the sale, to be completed next month, would be used to boost the funeral business and pay for the Co-op's expansion into superstores.

Net assets, valued at £8.3m in the accounts, were "hugely unrepresnetative," said Mr Reid because the Co-op's properties had not been revalued for a long time.

IoM Steam merger in the balance

A full poll was expected yesterday to overturn a show-of-hands rejection of Isle of Man Steam Packet's proposed merger of its mainland service with Sealink.

There were heated exchanges at the AGM, which was followed by an EGM called to approve the deal.

Mr S. R. Shimmin, chairman, said the terms agreed were the best that could be obtained. He stressed that the merger had been proposed to end competition between the company and Sealink which was costing both companies large sums of money.

Shareholders, however, attacked the terms, and called for a renegotiation. One also challenged the company's balance sheet, and a show-of-hands vote sent the accounts back for further consideration by directors.

ASR agreed £9m bid

A PRIVATE Luxembourg-based company, Minit International, has announced an agreed £9m cash bid for the shoe repair and key cutting group, ASR, formerly Allied Leather Industries.

Minit, advised by Noble Grossart, is offering 450p cash for ASR's 2m shares. An offer of 65p cash for each of the 150,000 £1m nominal value 3½ per cent preference stock and 150p cash for each of the 600,000 £1m nominal value 9 per cent preference stock, has also been agreed at a value of £1m. An equivalent in loan notes for all three offers is also available.

M. Brown urges rejection

Matthew Brown, the Blackburn-based brewery yesterday urged shareholders to reject Thursday's increased offer from Scottish & Newcastle Breweries.

S&N's share price firmed 3½p yesterday to 128½p to put a value of nearly 441p per share on its offer, a total of £99.5m. Matthew Brown's shares also rose, however—by 7p to 442p—still just ahead of the S&N bid price.

Matthew Brown said the revised offer of 14 S&N shares and 405p cash for every five Matthew Brown shares was "totally inadequate" and it advised shareholders to take no action.

Matthew Brown's board pointed out that despite the addition of the 405p cash element to the bid—worth 81p for each Matthew Brown share—S&N had only been able to acquire a further 7.6 per cent of its shares in the market on Thursday, taking its holding to 12.5 per cent.

Mr Colin Barber, Matthew Brown's company secretary, said the company was "not at all impressed" by S&N's higher bid. "Our view remains the same," he said. "The offer is most unwelcome and wholly unacceptable. We firmly believe in the continued independence of Matthew Brown."

George Wills

George Wills & Sons (Holdings) importer and exporter, achieved higher pre-tax profits of £886,000, against £590,000, in 1984. Turnover rose from £101.24m to £136.2m.

The result was struck after an exceptional credit of £419,000, being non-recurring income in the trade finance division — (there was an exceptional debit of £1.11m last time.

An unchanged final dividend of 5.5p has been recommended which holds the total at 8p. Earnings were down from 6.99p to 4.6p.

Wills is buying the outstanding 74.9 per cent of its associate company, C. T. Group, for £1.8m in cash and shares.

Booker plans forecast as £331m bid is extended

BY ALEXANDER NICOLL

Dee Corporation, the supermarkets group, is expected on Monday to extend its £331m bid for Booker McConnell in to the second half of April and to declare the offer final.

Terming the offer final is a formality, since Dee could only increase it in circumstances considered by the Takeover Panel to be exceptional. The restriction applies because Dee sold some Booker shares before making the bid and said it might sell more.

At the first closing date yesterday, Dee is thought to have recieved acceptances taking the total under its command, including the 16 per cent it owns, marginally ahead of the 20 per cent stake it had before it sold shares.

Booker plans to produce a 1985 profits forecast as a strong plank in its defence. It has already sharply boosted 1984 profits following a rapid streamlining undertaken after Dee's first bid, made last June, was referred to the Monopolies Commission.

Mr Alec Monk, Dee chairman, confirmed yesterday that the current bid will not be subject to further investigation.

He told shareholders, who formally approved the planned purchase of Booker at an EGM, that a slow return to normal trading patterns in areas affected by the miners' strike has not damaged Dee's £56m profit forecast for year ending April 27, 1985.

Bardsey reconstruction

Bardsey, holding company for a variety of industrial, property and finance businesses, is deferring a dividend payment on convertible preference shares and plans to prepare proposals for a capital reconstruction.

The company, which had a small los sin the first half of 1984, has not yet produced full year results and said yesterday that it would not do so for some weeks.

It is deferring payments due April 1 on its 7 per cent preferred stock "in the light of the likely level of distributable reserves." The burden placed by the dividends on the company's resources had been of concern for some time, it said.

The company had net debt of £6.8m at end-1983 and shareholders funds of £8.4m.

Although it had returned to profit in the full year 1983, it reported a pre-tax loss of £[illegible] in first half of 1984 against a loss of £80,000 in the same period of 1983, on turnover of £[illegible]m against £18.0m.

The company blamed depressed furniture business for the slowness of its recovery.

SHT better than forecast with £1.9m

WITH ITS three principal subsidiaries producing "excellent results," pre-tax profit of Scottish Heritable Trust rose from £1.11m to £1.9m for 1984, a little better than the forecast made with the offer for Hoskins and Horton.

Earnings are shown at 10.6p, against 7.2p, per share, and the final dividend is the promised 1.4p for a net total of 2.5p, compared with 2.1p.

As to the current year, the first quarter compares well with the corresponding period, but the directors feel it would be "unreasonably optimistic" to expect any substantial improvement in those three companies after 1984's good performance.

However, the purchase of Hoskins and Horton and the subsequent sale of the quarrying business to Tilcon Holdings should assist the results in two important areas.

The group has interests in the distribution of carpets and floorcoverings, and hairdressing supplies; oil and gas developments; housebuildings; and sand and gravel quarrying. Hoskins in engaged in light engineering and has hospital equipment interests.

Hoskins has good potential and should be a large contributor to profits in the future. Receipt of the £[illegible]m for the sale of quarrying will eliminate short term borrowings.

At the end of 1984 the directors estimate that current market value of gravel reserves, building land, properties and listed investments exceed book value by over £4m. This included surplus on Hoskins shares of some £1.5m.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
ASR Hotdgs	450*	445	365	9.00	Times Veneer
Banro Inds	78§	90	66	4.30	CH Industries
Bonusbond	32§	30	23	1.12	Promotions Hse
Booker McConnell	264§ §§	250	259	329.91	Dee Corp
Brown (Matthew)	441§ §§	442	323	99.67	Scot & Newcastle
Butterfield-Hrvy¶	27*§	26½	22½	3.21	Technology Inc
Dunlop	23½	65½	31	33.80	BTR
E of Scot Onshre¶	¶¶	85	66	¶¶	Ind Fin & Inv Co
Elson & Robbins	102½§§	84	68	10.15	Hartons Group
Energy Services	98	90	84	36.90	Minit Intl.
Foster Bros	224§	210	228	104.90	Sears Hldgs
Haden	240*	315	232	37.18	Trafalgar House
House of Fraser	400*§	396	346	430.92	Al Fayed Inv & Trust (UK)
Hurst (Charles)	200*§	185	190	4.32	Garvagh Secs
Imed Business Sys	40*	40	40	5.40	Wcelaborator Intl
Ingall	80*	91	73	7.30	Gt Midland Co-op
Initial	541§ §§	525	533	171.76	BET
Jackson J. & H. B.	111½	115	84	26.46	Williams Hldgs
Lake & Elliot	80†	85	65½	7.95	Suter
Manor National	13½§§	12½	13	2.35	Bramalt (C. D.)
Martin (R. P.)	450*	440	420	43.65	Quadrex
Pauls	357§	362	253	112.12	Harrsns & Crsfld
Petrotex	75*	75	50	11.71	Clyde Petroleum
Routledge & Kegan Paul	412§§	405	283	4.70	Assoc Book
Seccombe, Mrshll	440*	435	320	7.04	Citicorp
String Guarantee	68	68	325††	243.10	P & O
Thames Inv & Sec	5*	‡‡	‡‡	0.20	Weber Hldgs
Thms Inv & Sec Pr	5*	‡‡	‡‡	0.03	Weber Hldgs
Park Place	20*	49	49	1.41	C.D.I. Hldgs
TMG Group	125†§	115	75	1.67	Smurfit (J.)
Tootal	72½*§	72	63	128.46	Entrad Corp
Trident Computer	82½	75	70	2.06	Norcros
UBM	192§§	186	159††	113.38	Hopecastle
Waring & Gillow	160*	148	155	24.96	Peek Hldgs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on March 29, 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||| Loan stock. ‡‡ Suspended.

Scrip Issue

Smith and Nephew—One for five.

Offers for sale, placings and introductions

Associated Steel—USM placing of 860,000 shares at 155p per share.

Blagden Industries—Offering 14.95m shares. At least 9m will be sold at a fixed price of 112p per share. The remainder will be reserved for existing shareholders.

Laidlow Thomson—USM placing of 1.62m shares to raise £862,000.

Shorrack—Offer for sale of 6.5m shares at 100p per share.

Wayne Kerr—USM offer for sale of 4.7m shares at 130p per share.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amari	Dec	6,510	(2,920)	15.8	(6.0)	2.7	(—)
Assoc Book Pub	Dec	8,600	(6,324)	—	(—)	10.0	(7.52)
Babcock Intl	Dec	31,600	(34,100)	16.2	(17.6)	8.0	(7.0)
BAT	Dec	1,410,000	(979,000)	53.6	(37.6)	10.3	(8.24)
Beatson Clark	Dec	434L	(1,200)	0.5	(24.2)	6.6	(9.0)
Bemrose Corp	Dec	3,210	(152)	—	(23.0)	5.4	(11.0)
Berkeley Exp	Dec	335L	(410)L	—	(—)	—	(—)
Brent Chemicals	Dec	4,810	(4,050)	7.6	(5.6)	3.5	(2.8)
Bridon	Dec	14,500	(10,100)	—	(—)	4.0	(3.5)
Brewmaker	Jan	634	(574)	2.0	(2.3)	0.8	(0.4)
Brit Arrow	Dec	14,140	(10,060)	6.3	(6.1)	2.5	(2.2)
Brit Acrospace	Dec	120,200	(82,300)	54.0	(41.1)	13.65	(9.1)
Brn. Boveri Kent	Dec	7,590	(6,270)	6.7	(6.9)	2.5	(2.5)
Bunzl	Dec	27,650	(17,330)	23.0	(16.9)	7.5	(5.5)
Canning, W.	Dec	1,940	(1,529)	10.0	(7.3)	3.5	(2.5)
Carpets Intl	Dec	1,420	(630)L	—	(—)	—	(—)
Cartwright, R.	Dec	1,460	(1,620)	15.3	(15.3)	6.5	(5.75)
Cent Ind TV	Dec	10,050	(6,830)	—	(—)	10.5	(6.5)
Charterhstl	Dec	3,070	(597)	3.4	(1.3)	0.6	(—)
Charterhouse Pet	Dec	11,520	(5,100)	8.9	(5.5)	1.0	(0.75)
Clyde Pet	Dec	12,300	(11,680)	10.8	(10.3)	1.5	(0.91)
Coates Patons	Dec	109,800	(87,000)	23.4	(17.3)	5.5	(4.7)
Comb Eng Stores	Jan	9,160	(5,950)	10.2	(9.6)	4.9	(3.5)
County Bank	Dec	14,100	(11,280)	—	(—)	—	(—)
Croda Intl	Dec	20,050	(17,570)	9.5	(8.4)	7.0	(7.0)
Delta Group	Dec	45,700	(31,800)	20.9	(13.0)	4.5	(3.75)
Desoutter Bros	Dec	4,540	(2,730)	24.1	(13.9)	6.46	(5.6)
Dickie, James	Oct	2	(26)L	2.0	(0.5)	0.5	(3.0)
DRG	Dec	26,000	(16,000)	—	(—)	7.5	(6.5)
Dufay Bitumastic	Dec	506	(568)	2.1	(2.2)	1.8	(2.6)
Enterprise Oil	Dec†	62,600	(30,800)‡	—	(—)	8.0	(—)
Euc Pulp Mills	Dec	7,230	(851)	136.9	(14.8)	15.0	(7.0)
Exco Intl	Dec	80,670	(32,460)	37.3	(28.3)	9.0	(7.5)
Freemans	Dec	22,030	(14,130)	17.1	(11.0)	5.5	(4.5)
Fried Doggart	Dec	2,320	(2,120)	27.0	(30.0)	7.25	(6.27)
Gee, Cecil	Dec	822	(1,080)	8.9	(8.8)	2.8	(2.1)
Gibbs & Dandy	Dec	408	(240)	3.0	(3.0)	1.58	(1.4)
Grampian Hldgs	Dec	1,720	(1,450)	12.6	(11.4)	5.0	(4.5)
Haden	Dec	3,550	(6,020)	4.7	(24.4)	8.63	(8.63)
Hall Eng	Dec	2,740	(5,600)	15.5	(23.1)	7.61	(7.61)
Hepworth Cer	Dec	35,230	(33,520)	14.1	(12.4)	6.75	(6.3)
Hickson Intl	Dec	14,960	(14,760)	45.0	(45.0)	14.0	(11.5)
Iceland Froz Food	Dec	2,970	(1,820)	20.0	(12.4)	—	(—)
IMI	Dec	45,100	(31,600)	10.7	(7.2)	4.5	(4.0)
Janlar	Dec	735	(473)	—	(—)	2.5	(0.5)
Johnson Gp Clean	Dec	6,670	(6,300)	36.8	(36.8)	18.6	(12.42)
Kode Intnl	Dec	1,110	(1,120)	12.5	(15.7)	10.0	(8.8)
Ladbroke Grp	Dec	50,200	(41,800)	18.0	(17.8)	10.0	(9.02)
Legal & General	Dec	48,100	(55,600)	29.3	(28.2)	21.5	(18.5)
Manders Hldgs	Dec	4,260	(4,390)	19.1	(20.0)	7.5	(7.0)
Matthews, B.	Dec	5,080	(7,010)	25.4	(40.0)	6.5	(6.5)
Mellerware Intl	Dec	1,110	(945)	12.2	(10.3)	3.0	(2.52)
Metal Closures	Dec	7,040	(7,080)	17.1	(16.8)	6.7	(6.3)
Mills & Allen	Dec	12,680	(9,420)	20.0	(14.4)	—	(14.0)
Morgan Cruc	Dec	15,500	(9,800)	16.3	(10.7)	8.0	(8.0)
Myson Group	Dec	5,160	(3,040)	6.7	(6.2)	1.25	(—)
Newman Ind	Dec	5,400	(2,700)	3.1	(2.5)	—	(—)
Noble & Lund	Dec	59	(570)L	—	(—)	0.19	(—)
OT & T	Dec	28,700	(17,200)	16.8	(—)	5.5	(4.5)
P&O	Dec	69,630	(56,660)	—	(—)	9.0	(8.5)
Platignum	Jan	106	(459)L	—	(—)	—	(—)
Prud Corp	Dec	78,000	(101,100)	15.1	(23.1)	22.5	(19.0)
Reckitt & Colman	Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rock	Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rolork	Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Smith & Nephew	Dec	55,480	(44,590)	11.8	(9.4)	4.55	(3.75)
Spring Ram	Dec	3,030	(1,610)	15.8	(6.1)	1.65	(1.5)
Stand Chart Bank	Dec	290,300	(268,100)	64.4	(77.1)	28.5	(28.0)
Steetley	Dec	32,700	(23,220)	33.1	(24.3)	12.0	(11.0)
Superdrug Stores	Dec	8,740	(6,840)	13.3	(10.1)	4.2	(3.5)
Texas Homecare	Dec	10,030	(7,050)	13.2	(8.5)	2.75	(2.0)
Tricentrol	Dec†	30,200	(24,200)	32.6	(28.2)	10.0	(10.0)
Turner & Newall	Dec	20,500	(12,500)	11.1	(4.9)	2.5	(1.0)
Utd Newspapers	Dec	18,730	(8,860)	29.0	(20.7)	14.5	(13.0)
VG Instruments	Dec	10,600	(7,330)	—	(—)	1.8	(—)
Westwood Dawes	Dec	82L	(226)L	—	(—)	—	(—)
Wolstnblme Rink	Dec	1,690	(1,150)	25.8	(16.8)	7.75	(6.75)
Woolworths	Dec	105,800	(56,500)	90.0	(69.0)	15.5	(8.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bailey, Ben Cons	Dec	6	(251)	0.25	(0.8)
Baltic	Jan	1,820	(1,520)	1.0	(1.0)
Beazer, C.H.	Dec	6,620	(4,810)	4.0	(3.5)
Bell, Arthur	Dec	20,710	(19,060)	1.55	(1.4)
Blue Bird Conf	Dec	131	(115)	1.6	(1.52)
Bridport-Grundy	Jan	646	(394)	1.45	(1.25)
British Car Auctn	Jan	3,630	(3,040)	1.25	(1.1)
Bryant Holdings	Nov	5,610	(4,730)	1.1	(1.0)
Burgess Prod	Jan	601	(214)	0.5	(—)
Borton Group	Mar	34,710	(26,110)	2.5	(2.0)
Frogmore Est	Dec	4,630	(4,020)	1.77	(1.61)
Gablect	Dec	252	(138)	0.9	(—)
Lucas	Jan	15,300	(3,500)	2.6	(2.8)
LWT Holdings	Jan	5,430	(5,500)	5.17	(5.17)
Pressac Hldgs	Jan	411	(1,000)	0.7	(0.7)
Ricardo Cons Eng	Dec	801	(552)	0.88	(0.88)
Rivoli Cinemas	Oct	103	(86)	—	(—)
Staff Potteries	Dec	651	(620)	1.0	(—)
Thorpe, F. W.	Dec	450	(387)	1.4	(1.3)
Trident Comp	Jan	125	(181)	0.6	(0.6)
Tyzack, W.	Jan	125	(110)	0.6	(0.5)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise indicated. † Net tax profit. ‡ For previous eight months. L Loss.

Rights Issues

American Oil Fields Systems—To raise £17.6m through a nine for one rights issue at 20p per share. Also an offer for sale of 10m shares at 20p per share.

Bespak—To raise £4.59m through a one for four rights issue at 178p per share.

FKI Electricals—To raise £7m through a two for nine rights issue at 38p per share.

Morgan Crucible—To raise £20.7m through a one for five rights issue at 185p per share.

Oliver Prospecting and Mining—To raise £1.87m through a one for two rights issue at 149p per share.

Wolstenholme Rink—To raise £2.59m through a one for four rights issue.

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COMPANY NEWS IN BRIEF

Murray Electronics, investment company, raised net asset value per 25p share to 106.41p as at January 31, 1985, against 100.22p a year earlier and 97.55p at July 31, 1984.

Gross revenue for the six months to end January came out at £747,000 (£932,000). After expenses, the pre-tax figure was £276,00 (£287,00). Tax took £123,000 (£144,000) and stated earnings per 25p share were 0.4p (0.65p).

* * *

John I. Jacobs, shipbroker and shipowner, reported improved pre-tax profits for 1984 of £1.3m against £919,000 on turnover ahead from £965,000 to £1.35m.

A final 2.1p is being paid, making a 3.3p (2.9p) dividend total. Stated net earnings per 20p share wera 3.75p (2.61p).

* * *

Magnolia Group (Mouldings), manufacturer and importer of picture frame mouldings, reports a downturn in pre-tax profits in the year to December 31 1984 from £64,000 to £641,000. The company attributes this to a higher proportion of bulk contract work which reduced overall margins.

Turnover was £11.65m (£10.17m). There was an exceptional charge of £115,000 (nil) being a provision for losses relating to two customers which have been placed into receivership.

Earnings per 10p share were quoted at 6.97p (11.51p) and a final dividend of 2p (1.9p) is being recommended, making 2.6p (2.5p) for the year.

Trading profits of the group's overseas operations were £86,000 (loss £102,000). Sales in the current year in domestic and export markets are ahead of budget.

* * *

Linread, manufacturer and marketer in the UK and Canada of cold-forged fastener systems, reported pre-tax profits of £71,000 for 1984, compared with losses of £71,000 for the six months to end-1984, and losses of £595,000 for the 17 months to end-1983.

Despite losses of £305,000 incurred by the Canadian subsidiary the directors feel encouraged both by the year's performance and future prospects to recommend a final 0.5p (nil) dividend, bringing the year's total to 1.5p (0.1p).

* * *

A better than anticipated second six months enabled Banro Industries to push its pre-tax profits up from £512,000 to £806,000 for the full 1984 year. But for the losses incurred by the now-closed Lignotock operations profits would have been another £103,000 higher.

In view of the improved results the final dividend is being lifted by 1p to 3.725p making a net total of 4.3p, against a previous 3.3p.

Turnover edged ahead from £24.63m to £25.29m—the group's interests include framed windows and sunroofs, train and caravan doors and roller sunblinds.

C.H. Industrials now claims 7.81 per cent of Banro's equity. Its offer has been extended until April 3.

* * *

Britannia Security Group, USM-quoted security and monitoring systems company, made pre-tax profits of £222,000 in the six months to Decembers 31, 1984, on sales of £1.6m. For the previous full year, profits and sales were £357,000 and £2.7m respectively.

Earnings per 10p share are given as 2.75p (5.58p for year) and there is an interim dividend of 0.5p net.

* * *

Trading profits of Waverley Cameron, stationery manufacturer, declined from £119,728 to £840 in 1984, largely due to extra costs associated with further diversification into new products. Turnover was marginally lower at £3.01m (£3.06m).

However, with first-quarter 1985 sales at a record level, the company looks forward to a prosperous year. The 1984 dividend is held at 3.75p net.

* * *

Turnover of Breedon and Cloud Hill Lime Works fell to £3.96m (£4.89m) in the year to January 31, 1985 and pre-tax profits dropped from £1.59m to £1.1m. Earnings per 25p share were 10.66p (13.84p) and the dividend is in effect 0.5p higher at 8.9p with a 6.5p final.

* * *

Regentcrest, a property investor, developer and dealer, has turned in a profit of £114,7[illegible] in the half to October 31 1984, against a loss of £40,928.

There is an extraordinary debit below the line of £350,000 being the directors' best estimate of the total loss on disposal of Morley's estate business.

...K EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 5.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

(C—D)

Cadbury Schweppes 3½pc1stPf (£1) 42. 8½pcDb 1994-2004 £77. 9pc1stDb 1988-93 £88

Caledonian Hldgs 6½pcLn 1984-89 £84. 7½pcLn 1985-93 £84½

FINANCIAL TRUSTS

Akroyd Smithers (Letters to Newco Ord) 312 (27/3). Ord (Letters to Newco Pf) 325 (22/3)

Armour Tst £82¼ (22/3)

Australian Agricul. (A$0.50) 250 (22/3)

B.E.T. Omnibus (50p) 57 (25/3)

Baillie Gifford 42 (27/3)

Berkeley Technology ($0.50) 149. New Ord ($0.05) 149 50

Birmingham Dist Tst (£1) 43 (26/3)

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 118 (26/3)
Acorn Secs 18 (27/3)
Adelaide Steamship 380● (22/3)
Agnico-Eagle Mines 975
Ahold £49.60● 50¼●
Allflex Hldgs 12●
Amatil 250●
Amerada Hess £24●
American Home Products £49½
American Hospital Supply US$33¼ (27/3)
Ampol 112● 6
Amsterdam-Rotterdam Bank US$21 (27/3)
Apple Computer US$22 (25/3)
Ariadne Australia 33●
Ashton Mining 57●
Assoc Manganese Mines of SA £37 (25/3)
Atlas Industries 11½ ¾ (27/3)
Aurochs Inv (SA) 140● (22/3)
Aust Development 90 (27/3)
Aust Foundation Inv 98 (22/2)
Basic Resources (nt (Bahamas) 70● (25/3)
Bass Strait Oil & Gas 91●
Bayerische Motoren Werke £101½●
Beach Petroleum 36● (27/3)
Beatrice £24⅛ (22/3)
Bell Grp 395● (22/3)
Berjuntai Tin Dredging 125
Bhon Oil & Minerals 35½ (25/3)
Boral 184
BP Canada £17⅛ (27/3)
Brambles Industries 223● 20
Bristol-Myers £47¼● (26/3)
Brush Wellman US$36● (25/3)
CSF (Thomson-CSF) US$54½ (25/3)
Canada North-West (Aust) Oil 11 ½ (27/3)

Dome Mines 775 (27/3)
Dordtsche Petroleum Industrie Fl 178½● ½
Dresdner Bank DM 186½
Dresser Industries US$20⅞● (27/3)
Dulker Expln 265●
Du Pont (E.I.) de Nemours US$52 (27/3)
Eastern Asia Navigation 8½ (27/3)
Eastman Kodak US$68
Elec & Eltek 8⅞●
Emerson Electric $61½ (26/3)
Emerra Corp 862½● (26/3)
Equity Silver Mines 425● (28/3)
Ferrovanadium Corp 16● (23/3)
Fraser & Neave 555.19● (22/3)
Georgia-Pacific Corp £17¼●
Gist-Brocades £42½ (26/3)
Golconda Minerals 28● (27/3)
Gould Inc £18⅝ ½ US$22⅞ (27/3)
Greenbushes Tin 08 7)
Greenvale Mining (A$0.05) 20 ½ (25/3)
GreyPound Corp US$27¼ (27/3)
Greenwood Resources 125
Harland (John H.) US$28⅝ (25/3)

Vallant Cons 9.9 (27/3)
Vam 14● (22/3)
Vampas 2)2
Veba US$56● £47⅝ (26/3)
Volkswagenwerk £61½ (27/3)
Walhalla Mining 5
Wang Laboratories Class B £15⅝ (27/3)
Westfort Petroleum 30● (27/3)
Westinghouse Electric £23¼
Wheelock Marden A 72½
Wheelock Marden B 7 (27/3)
Wong Industrial Hldgs 4½●
Woolworths (A$0.30) 175
World Intnl (Hldgs) 17½●
Zanex 1½ (27/3)
Zone Petroleum 32●

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange.

Abbey National Bldg Soc 9¼pc 24/4/85 £99.456 473 (22/3)
Airship Inds (1p) 18
Airship Inds (25p) 19½ 20½
All England Lawn Tennis Gnd £5000b 1985-90 (£862 pd) 6,250 350 (26/3)
Allied Ents 100 1 (22/3)
Amal Metal Corp 300 10 (22/3)
Appleton Hldgs 40 (25/3)
Avesco 50
Berkeley Seventh Round 8 (27/3)
Business Mortgages 140
Cambridge Instruments 16 ½ 7 8 (27/3)
Cannon St Invs 20 5
Carlaun 4 6
Castletown Brewery 290 5 (27/3)
Central Equip 8 460 70 (26/3)
Channel Hotels and Props 76 8 (25/3)
Ciba-Geigy 8½pcLn 1962-95 £520 (25/3)
Conister Tst 92 (22/3)
Crusts (49 . (27/3)
Dalkeith (Ceylon) 13½ ¾ (26/3)
Dart Valley Light Rlwy 80 3 (22/3)
Dawson (Wm) 547 8 50 (27/3)
Dolambra Hldgs 32 ¼
Dollar Land 162
Exchem 86 9 73 (25/3)
Galaha Ceylon Tea 10 ((25/3)
Grampian TV 95 100
Guernsey Gas Light 210
Hill Woolgar 204 (22/3)

Sth Quay Invs 120 (25/3)
Southern Newspapers New 190 3½ 5
Taddale Invs 18 ½ 9
Thames Valley Broadcasting 125 ½
Weetabix A (Non-Vtg) 125 ¾ 6 (27/3)
Welsh Inds Inv 7pc Pfd 25½ ½ (26/3)
Wolverhampton Racecourse 123 5 (26/3)
Wynstay Props 125 (27/3)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration.

Celtic Basin Oil Expln (£1) 12
Kenmare Oil Expln (I£0.25) 6

(By permission of The Stock Exchange Council)

LONDON TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

ECONOMIC DIARY

TODAY: EEC summit meeting concludes, Brussels.

TOMORROW: BST begins, clocks go forward one hour. Mr Edward Heath and Mr Peter Walker address Tory Reform Group conference on unemployment, University College, London. Mr Richard Luce, Foreign Office Minister of State, starts visit to Kuwait (to April 2).

MONDAY: CBI monthly trends inquiry for March. February final figures for retail sales. Credit business in February. EEC Agriculture Ministers meet in Luxembourg for two days to discuss farm prices. FT two-day conference on Euromarkets in 1985 opens, Intercontinental Hotel, W1.

TUESDAY: UK official reserves for March. Capital issues and redemptions during the month of March. Sir Geoffrey Howe, Foreign Secretary, presents British Overseas Trade Board smaller businesses awards for export achievement. Savoy Hotel. Pearson final results.

WEDNESDAY: Housing starts and completions in February. Advance energy statistics for February. Quarterly analysis of bank advances and acceptances for mid-February. UK banking sector statistics. Fourth quarter figures for financing of the Central Government borrowing requirement. Money stock for the fourth quarter. Prince of Wales at Land Use conference, Seal Hayne College, Newton Abbot. Stradivari violin expected to make £300,000, Sotheby's.

THURSDAY: March figures for unemployment and unfilled vacancies. Electricity supply manual workers pay talks.

FRIDAY: Mrs Margaret Thatcher begins 10-day tour of South East Asia.

Sterling pulls market in opposite directions

Gilts advance but equity leaders fall sharply

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar 11	Mar 21	Mar 22	Apr 1
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7

* " New-time " dealings may take place from 9.30 am two business days earlier.

The strength of sterling continued to pull the two principle sectors of London stock markets in opposite directions yesterday. Government securities completed in good style a week memorable for increased turnover and further small cuts in bank base rates. Leading shares, in sharp contrast, sustained their seventh consecutive fall, reflecting concern over the impact of the weaker dollar on international and U.S.-related stocks.

Overseas demand for Gilt-edged issues revived as the exchange rate touched a new four-month high of $1.26 yesterday. A continuing shortage of funds prevented many domestic institutions from participating in the movement, but long Gilts still managed fresh rises of ¼. Expectations of further Government funding tended to restrain professional traders.

At the official close, the authorities duly announced new funding of £750m via a £250m tranche of Exchequer 10½ per cent 1997 and a £500m issue of Conversion 9½ per cent 2004. The news failed to upset the market and when dealings restarted later quotations were little changed apart from a few ultra-long maturities, which eased fractionally. Index-linked Gilts finally reversed their post-Budget weakness, regaining ½ in places on bear-covering purchases.

Top-quality shares opened only a shade easier but the continuing absence of significant institutional interest soon made markets restless. Prices began to fall faster and the downturn became self-feeding. Sales representing little more than token book-squaring operations ahead of the weekend became increasingly more difficult to place and bred an air of uncertainty.

International stocks were hit most with ICI and BOC sustaining double-figure losses. Lucas Industries ran into a bout of profit-taking after Thursday's preliminary statement, which aroused views that the group's recovery may not be complete, and also came back sharply. The FT Ordinary share index fell throughout the session and finally showed its heaviest fall since February 12 to close down 15.8 at 964.3.

Lloyds lower

Latin American debt uncertainties clouded sentiment in the major clearing banks. Lloyds, the bank with the greatest exposure in debts from that area, particularly Argentina, closed 10 down at 523p, after 520p. Barclays lost the same amount to 580p, while NatWest relinquished 7 to 618p and Midland eased 5 to 323p. Elsewhere, Royal Bank of Scotland declined 4 more for a fall of 22 over the week to 270p on fading takeover hopes.

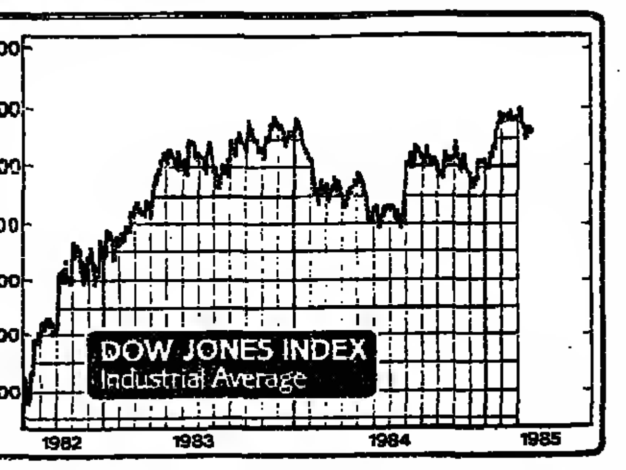
Life issues sustained sizable losses in a dull Insurance sector. Legal and General dropped 15 to 680p following comment on the disappointing preliminary results. Sun Life cheapened 17 to 813p, while London and Manchester, 705p, Equity and Law, 250p, and Refuge, 330p, were all around 10 easier. The dollar's fresh fall again affected Lloyds brokers. Stewart Wrightson closed 16 lower at 607p on news of an acquisition in Bahrain, while C. E. Heath eased 7 to 620p and Willis Faber shed 10 at 650p. Sedgwick Stenhouse fell 1½ to £12 on a Press suggestion that the company is re-negotiating merger terms with Alexander and Alexander Services of the U.S.; A and A closed ½ off at £25½. Ahead of their respective preliminary statements scheduled for next Wednesday, GRE lost 10 to 655p and Sun Alliance softened 5 to 470p. Among other Composites, General Accident gave up 11 to 596p and Royals dipped 10 to 585p.

Architectural ironmongers Laidlaw Thompson made a quiet debut in the Unlisted Securities Market; the shares opened at 84p and touched 86p before slipping back to close at the placing price of 82p.

Scottish and Newcastle rallied 3½ to 128½p, while takeover target Matthew Brown rose 7 more to 442p; the rejected shares-and cash bid now values the latter at just under 441p per share.

Trading statements prompted several noteworthy movements among secondary building issues. Brick concern Ibstock Johnsen figured prominently, rising 12 to 315p, after 320p, following excellent annual profits, a 100 per cent scrip issue and vendor placing to finance the acquisition of T.F. Warner, a clay roof tiles manufacturer. On the other hand, USM-quoted Ramos fell 7 to 78p after revealing lower interim profits, while disappointing annual results clipped 8 from Breedon and Cloud Hill Lime Works, to 200p. Arncliffe eased to 32p following poor preliminary figures and a reduced dividend, but rallied smartly following a sizeable put-through just above the 40p level to close 10 higher on balance at 44p.

ICI opened 10 lower at 763p following the pound's overnight gains against the dollar and fluctuated narrowly around that level before closing a net 12 lower, or 21 down on the week, at 761p.



Woolworth up again

Proceedings in Retailers again centred on Woolworth which responded afresh following favourable comment on the bumper preliminary profits and 1-for-1 scrip issue to touch 784p before settling 33 up on the day and 87 on the week at 780p. Elsewhere, French Connection remained depressed by a broker's downgraded profits forecast and although closing above the worst, stil recorded a loss of 35 at 260p for a decline of 100 over the past two trading sessions. Liquidation of speculative positions left Bolton Textile 5 lower at 19p after 17p, while further consideration of the disappointing annual results clipped 10 more from Cecil Gee, at 140p. A.S.R., formerly Allied Leather Industries, were marked 80 higher to 445p following agreed terms from Minit International. Lambeth Howarth, annual results scheduled next Tuesday, advanced 10 to 225p.

Supported by the institutions throughout the week, British Telecom turned reactionary and closed 3 easier at 141p, after 140p, following comment regarding the 40p payment due on the shares in June. Other Electricals leaders drifted lower, with Plessey 4 cheaper at 192p and GEC 2 down at 186. Thorn EMI drifted back from 405p to finish the day unaltered but 34 lower on the week at 396p; sentiment has been depressed by a broker's bearish circular and increasing concern about its Inmos subsidiary. Elsewhere, Energy Services advanced 6 more for a two-day jump of 20 to 90p following the Board's strong rejection of Peek Holdings. offer. International Signal and Control rose 11 to 288p in response to revived U.S. support.

Delta were outstanding again among Engineerings, rising 7 more—a rise of 23 on the week—to 155p following comment on Tuesday's impressive results. Pinnel gained 4 to 82p ahead of Monday's annual results and Matthew Hall moved up 6 to 102p, reflecting concern over an Indian contract, while profit-taking in the absence of the rumoured bid from Babcock left TI 6 lower at 238p.

BAe strong

International stocks led the retreat in the miscellaneous industrial sector. BTR gave up 7 at 655p and Glaxo ¼ at £10⅛, while BOC dropped 13 to 280p and Metal Box 15 to 395p, after 387p. Elsewhere, British Aerospace, still drawing strength from the excellent results and encouraged further by comment ahead of next week's formal launch of the £500m Government sale of its remaining 48 per cent holding in the company, gained 9 more for a rise of 48 on the week to 423p. AB Ports put on 10 to 244p ahead of Wednesday's preliminary figures, while speculative buying prompted a rise of 16 to 135p to Wade Potteries and one of 5 to 67p in Hollis Bros. E.S.A. Press forecasts of bumper annual profits when the group reports on Tuesday helped Pearson improve 5 to 693p. George Wills added 4 to 131p on sharply higher annual earnings, but sporadic offerings left Sketchley 24 down at 360p and Cookson 20 off at 555p; the preliminary figures of the last-named are scheduled for Wednesday.

After reacting sharply earlier in the week on the directors' warning that the recent rise in the share price bore no relation to the company's current trading position, Pavilion Leisure met with renewed speculative demand and gained 9 to 41p.

Lucas Industries, 269p, gave up most of the previous day's advance of 16 that followed the better-than-expected interim statement. Abbey Panels, on the other hand, attracted fresh demand in a thin market to close 13 to the good at 130p. Jaguar plight of the dollar and dipped continued to react to the current 7 for a loss on the week of 19 at 295p.

Publishers were irregular. Associated Newspapers shed 15 to 800p while United, which announced more-than-doubled annual profits on Thursday, eased a couple of pence to 308p. In contrast, Home Counties spurted 20 to 148p, after 151p, following excellent preliminary figures, while sympathetic support was evident for East Midland Allied Press 10 better at 140p with the more widely-traded A shares 6 higher at 124p, after 126p. Waverley Cameron closed 4 dearer at 82p as the company's confident outlook outweighted the disappointing full-year results.

The continued withdrawal of speculative support in the wake of the company's statement giving notice of its intention to remain independent saw Stock Conversion shed 12 for a two-day fall of 32 to 448p. Elsewhere in the Property sector, Berkeley and Hay Hill touched 11½p on the good annual results before profit-taking left the close ½ cheaper on balance at 10½p. The extraordinary item of £330,000 relating to the disposal of the Merleys Estate Agents business completely overshadowed Regentcrest's improved half-year profits and the shares shed a penny to 21p. Lower interim profits left Westminster and Country a couple of pence cheaper at 146p.

Ocean Transport and Trading were one of the day's livelier counters, rising 15 to 183p, after 184p; Press suggestions that P&O, 7 off at 345p, was set to launch a bid for Ocean was greeted with scepticism in certain quarters. Trafalgar House or Transport Development being mooted as other possible suitors.

Tootal eased 3 to 72p, to settle a fraction below the increased and final offer price from Entrad. Allied Textile attracted revived support, which continued into the after-hours business, and closed 29 higher for a two-day advance of 39 to 431p. David Dixon were wanted at 188p, up 8.

Tricentrol advance

Leading oils provided a firm feature in Tricentrol which rose 10 to 233p following the satisfactory results and continuing bid hopes. Ultramar also attracted good support and moved up a like amount to 227p.

Shell managed to improve 6 at 706p and LASMO hardened a few pence to 350p, the latter ahead of interim figures expected next Wednesday. Burmah Oil, scheduled to report preliminary results on April 11, improved to 211p before settling 3 firmer at 207p.

Among secondary oils, Highland Participants advanced 16 to a peak of 270p, while Aberdeen American Petroleum put on 4 more to a 1984-85 high of 115p. Lonrho touched 179p before settling a net 6 dearer at 177p following the chairman's confident statement at Thursday's annual meeting.

Golds gain ground

Events in foreign exchange markets remained the dominant factor in mining markets. An early decline in the dollar gave an initial boost to the bullion price which moved steadily higher to touch $334 an ounce. However, a gradual recovery by the U.S. currency pulled the metal price back to a closing level of $330, a rise of $3 on the day and $14.5 over the week.

South African Golds mirrored this performance. Prices made good progress at the outset, reflecting persistent Johannesburg demand and limited London support, but later encountered light profit-taking and closed a shade below the best levels in dollar terms. Sterling quotations were restrained by the firmness of the pound in early trading, but generally made good gains on balance. The Gold Mines index, registering its fourth successive improvement, rose 8.9 more to 515.2, for a week's gain of 9.8.

The best performers in the heavyweights included Randfontein, £85¾, Southvaal, £38¼, and Vaal Reefs, £81¼, all of which posted gains in the region of £1¼.

South African Financials moved higher in line with Golds. Anglo American Corporation put on ¼ to £10¼. De Beers 11 to 423p.

The weakness in the dollar also boosted free market platinum prices and producers of the metal responded accordingly. Rustenburg advanced 25 to 780p, while rises of 20 were common to Impala and Lydenburg at 940p and 560p respectively.

Golds continued to hold centre-stage in a generally buoyant Australian market. Central Norseman Gold settled a further 25 higher at 418p and Poseidon rose 7 to 218p. *Second-line issues* showed Metana 8 better at 142p, Carr Boyd 4 firmer at 68p and Sons of Gwalia 3 up at a year's best of 87p.

Demand for Traded Options declined slightly. Total contracts amounted to 7,031, bringing the week's daily average to 8,599. The FT-SE 100 contributed 251 calls and 576 puts, while British Telecom were to the fore with 1,029 calls and 473 puts struck. ICI attracted 678 calls, 346 in the April 800's. Lonrho were also wanted and recorded 502 calls and 339 puts.

FINANCIAL TIMES STOCK INDICES

	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 22	year ago
Government Secs.	81.21	81.10	81.06	80.78	80.74	80.75	83.19
Fixed Interest	85.83	85.57	84.68	84.63	84.54	84.55	86.75
Ordinary	964.3	979.1	979.3	982.0	982.9	998.4	877.0
Gold Mines	515.2	506.3	502.1	500.3	492.7	505.4	656.2
Ord. Div. Yield	4.71	4.64	4.64	4.61	4.57	4.57	4.38
Earnings, Yld.% (full)	11.70	11.53	11.52	11.42	11.35	11.33	9.30
P/E Ratio (net) (*)	10.43	10.55	10.59	10.66	10.75	10.75	12.86
Total bargains (Est.)	28,513	26,687	26,255	28,697	27,782	25,442	28,420
Equity turnover £m.	—	486.00	369.39	342.83	288.93	414.04	331.65
Equity bargains	—	23,527	24,002	24,386	26,119	28,600	23,555
Shares traded (ml)	—	237.7	191.2	184.8	166.5	217.4	192.1

10 am 975.4, 11 am 971.4, Noon 968.9, 1 pm 966.9.
2pm 966.5, 3pm 965.8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928, Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.03.

HIGHS AND LOWS

	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	74.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.45 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (25/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (3/5/84)	439.5 (25/1/85)	734.7 (15/2/83)	45.5 (25/10/71)

S.E. ACTIVITY INDICES

	Mar. 28	Mar. 27
Daily		
Gilt Edged Bargains	171.1	161.6
Equities Bargains	152.4	155.8
Equities Value	881.7	746.6
5day Average		
Gilt Edged Bargains	156.6	157.8
Equities Bargains	164.1	167.3
Equities Value	756.4	788.1

LEADERS AND LAGGARDS

Percentage changes since December 30 1984 based on Thursday March 29 1985

Newspapers, Publishing	+20.28	Investment Trusts	+ 4.65
Telephone Networks	+19.91	All-Share Index	+ 4.62
Metals and Metal Forming	+18.27	Food Manufacturing	+ 4.47
Insurance (Life)	+17.68	Overseas Traders	+ 4.39
Shipping and Transport	+17.69	500 Share Index	+ 4.23
Office Equipment	+14.87	Merchant Banks	+ 3.64
Insurance Brokers	+14.21	Industrial Group	+ 3.56
Motors	+13.60	Consumer Group	+ 2.28
Other Groups	+11.82	Banks	+ 2.13
Other Industrial Materials	+11.62	Food Retailing	+ 2.06
Insurance (Composite)	+10.96	Health and Household Products	− 0.46
Mining Finance	+10.93	Property	− 0.70
Mechanical Engineering	+ 9.61	Electricals	− 1.30
Packaging and Paper	+ 9.41	Brewers and Distillers	− 1.30
Oils	+ 8.59	Building Materials	− 1.58
Stores	+ 7.24	Capital Goods	− 1.67
Textiles	+ 7.14	Leisure	− 3.62
Financial Group	+ 6.06	Tobaccos	− 4.11
Gold Mines Index	+ 5.72	Contracting, Construction	− 5.38
Chemicals	+ 5.60	Electronics	−13.35

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 18	Mar 29	June 27	July 8
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 6

For rate indications see end of Share Information Service

Call options were taken out in Appledore, Turkgreen Investment, Albert Fisher, Resource Technology, Tricentrol, Selincourt, Charterhall, Bats, Stakis, Sound Diffusion, "The Times" Veneer, Yorkshire Chemicals, Ocean Transport and Trading, Falcon Resources and Combined Technologies. A put was done in Ocean Transport, but no doubles were reported.

MONTHLY AVERAGES OF STOCK INDICES

	March	February	January	December
Financial Times				
Government Securities	80.40	79.71	80.28	82.59
Fixed Interest	84.16	83.57	84.26	85.87
Ordinary	982.4	979.3	977.0	923.6
Gold Mines	489.5	481.3	457.8	505.8
Total Bargains	26,240	25,049	28,116	24,715
F.T.—Actuaries				
Industrial Group	633.91	633.16	634.53	598.11
500 Share	680.24	671.87	663.86	633.01
Financial Group	456.57	448.40	441.01	425.05
All-Share	622.08	614.51	604.88	577.74
FT-SE 100	1290.8	1277.0	1256.0	1202.5

	March High	March Low
Ordinary	1003.5 (15th)	964.3 (29th)
All-Share	630.16 (15th)	605.83 (1st)
FT-SE100	1309.9 (15th)	1250.9 (1st)

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Group	Fri March 29 1985 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur March 28 Index No.	Wed March 27 Index No.	Tues March 26 Index No.	Mon March 25 Index No.	Year ago (approx.) Index No.	1984-85 High		1984-85 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (207)	545.22	−0.7	10.33	4.05	12.25	549.15	550.10	551.17	553.57	522.72	577.15	22/1/85	450.90	12/7/84	577.15	22/1/85	50.71	13/12/74
2	Building Materials (23)	501.51	−0.4	12.76	5.02	9.70	503.32	504.87	503.55	504.94	522.09	537.59	27/4/84	402.18	12/7/84	537.59	27/4/84	44.27	11/12/74
3	Contracting, Construction (29)	700.67	—	13.18	5.66	9.77	700.77	698.59	699.38	701.93	767.30	775.48	25/4/84	602.70	19/7/84	831.99	15/3/83	71.48	2/12/74
4	Electricals (15)	1558.56	−0.8	9.80	4.67	13.02	1579.39	1564.90	1534.22	1549.15	1777.52	1592.52	20/3/84	1404.80	24/7/84	1909.93	3/6/83	84.71	25/6/62
5	Electronics (36)	1672.38	−0.9	8.97	3.04	14.43	1687.87	1692.76	1703.43	1716.68	1777.56	2049.05	13/11/84	1581.70	31/5/84	2049.05	13/11/84	1581.70	31/5/84
6	Mechanical Engineering (62)	304.80	−0.2	11.83	4.43	10.77	305.48	304.66	302.78	302.01	246.95	305.48	28/3/85	212.79	3/1/84	305.48	28/3/85	45.43	5/1/75
8	Metals and Metal Forming (8)	196.67	−0.9	11.50	7.36	10.75	198.42	196.07	198.25	190.42	226.78	209.74	13/3/84	153.97	18/10/84	209.74	13/3/84	49.65	6/1/75
9	Motors (17)	161.35	−1.6	13.65	5.20	9.17	163.92	162.52	164.31	165.38	132.04	175.89	15/3/85	112.73	19/7/84	175.89	15/3/85	19.91	6/1/75
10	Other Industrial Materials (16)	929.96	−1.1	7.16	3.30	17.01	937.89	950.38	954.50	953.07	698.25	992.37	15/3/85	592.04	13/7/84	992.37	15/3/85	277.55	15/1/81
21	CONSUMER GROUP (186)	630.68	−0.7	9.56	3.91	12.64	634.90	634.98	635.77	643.74	527.34	652.30	22/1/85	451.40	3/1/84	652.30	22/1/85	61.41	13/12/74
22	Brewers and Distillers (23)	559.17	−0.6	12.09	4.80	10.25	562.32	563.59	566.72	578.76	514.57	593.54	22/1/85	439.29	3/1/84	593.54	22/1/85	69.47	13/12/74
25	Food Manufacturing (21)	500.72	−0.5	11.68	4.81	10.66	503.23	503.86	505.51	506.25	467.40	513.86	12/3/85	356.25	12/7/84	513.86	12/3/85	59.67	11/12/74
26	Food Retailing (13)	1492.28	—	6.41	2.45	20.78	1492.05	1482.23	1475.02	1484.76	1234.66	1502.87	22/1/85	1057.23	10/2/84	1502.87	22/1/85	54.25	11/12/74
27	Health and Household Products (9)	997.72	−1.6	6.00	2.71	19.47	1024.26	1023.52	1029.25	1028.74	790.76	1088.57	22/1/85	706.26	4/1/84	1088.57	22/1/85	175.38	28/5/80
29	Leisure (22)	667.00	−0.3	8.52	4.90	15.38	668.95	678.26	676.43	680.71	680.21	719.49	22/1/85	522.19	25/7/84	719.49	22/1/85	54.83	9/1/75
32	Newspapers, Publishing (12)	1752.52	−0.5	6.67	4.31	19.41	1761.61	1761.44	1740.33	1732.53	1304.82	1761.61	28/3/85	1087.65	3/1/84	1761.61	28/3/85	55.08	6/1/75
33	Packaging and Paper (14)	315.60	−0.9	11.69	4.61	9.86	318.48	323.24	323.09	322.29	261.28	327.60	19/3/85	211.47	24/7/84	327.60	19/3/85	43.46	6/1/75
34	Stores (44)	590.94	−0.3	6.98	3.29	17.38	592.66	587.26	581.47	591.04	488.45	597.71	19/3/85	388.27	12/7/84	597.71	19/3/85	52.63	6/1/75
35	Textiles (19)	319.41	−0.8	13.26	4.62	8.69	321.86	321.95	326.87	327.05	294.69	341.97	11/3/85	243.79	16/7/84	341.97	11/3/85	62.66	11/12/74
36	Tobaccos (3)	853.80	−1.1	17.04	5.82	6.54	863.18	868.60	916.00	934.91	606.73	1018.69	8/2/85	508.50	5/1/84	1018.69	8/2/85	94.34	13/6/62
41	OTHER GROUPS (97)	675.98	−1.1	8.94	4.00	14.09	683.44	683.15	681.21	682.16	450.94	691.74	15/3/85	400.65	12/7/84	691.74	15/3/85	58.63	6/1/75
42	Chemicals (17)	750.74	−1.7	13.79	4.86	9.00	763.85	766.63	775.30	780.90	515.08	832.26	22/2/85	543.52	13/7/84	832.26	22/2/85	71.20	1/12/74
44	Office Equipment (4)	177.92	−1.4	7.43	4.70	16.66	180.42	183.06	183.63	184.01	138.20	190.38	11/3/85	109.30	3/1/84	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (11)	1145.92	+1.2	6.98	4.13	18.83	1132.09	1124.68	1134.41	1147.43	836.26	1161.29	21/3/85	766.98	12/7/84	1161.29	21/3/85	90.80	29/6/62
46	Miscellaneous (63)	838.21	−0.5	7.19	3.49	16.90	842.07	844.72	846.10	843.07	607.99	868.52	15/3/85	533.90	4/1/84	868.52	15/3/85	60.39	6/7/75
48	Telephone Networks (2)	830.20	−1.4	8.06	3.88	16.18	842.22	838.21	825.36	822.58	0.0	842.22	28/3/85	517.92	30/11/84	842.22	28/3/85	517.92	30/11/84
49	INDUSTRIAL GROUP (483)	628.74	−0.8	9.59	3.97	12.89	633.77	634.03	635.63	638.92	519.31	650.33	22/1/85	456.41	12/7/84	650.33	22/1/85	59.01	13/12/74
51	Oils (17)	1166.66	+0.5	15.82	7.12	7.77	1161.22	1156.57	1162.77	1173.58	1076.55	1239.75	15/2/85	933.37	30/7/84	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500)	673.74	−0.6	10.44	4.40	11.82	677.96	677.82	679.80	683.66	565.94	690.38	22/1/85	500.98	24/7/84	690.38	22/1/85	63.49	13/12/74
61	FINANCIAL GROUP (115)	456.47	−1.1	—	5.05	—	461.60	463.73	461.26	463.24	394.73	465.71	21/3/85	344.83	31/5/84	465.71	21/3/85	55.88	13/12/74
62	Banks (6)	441.21	−1.5	18.35	6.57	7.49	447.82	449.37	450.49	453.51	398.89	482.64	8/2/85	336.01	31/5/84	482.64	8/2/85	62.44	12/12/74
65	Insurance (Life) (8)	674.23	−1.8	—	4.61	—	686.27	693.10	671.23	669.35	487.39	693.10	27/3/85	443.86	31/5/84	693.10	27/3/85	44.88	2/1/75
66	Insurance (Composite) (7)	340.75	−1.4	—	5.56	—	345.64	345.68	338.04	340.32	290.81	347.37	22/3/85	247.22	3/1/84	347.37	22/3/85	43.96	13/12/74
67	Insurance (Brokers) (7)	1161.79	−1.3	7.40	3.38	17.86	1177.08	1181.76	1193.80	1199.46	739.57	1248.70	15/3/85	618.72	1/3/84	1248.70	15/3/85	65.86	16/12/74
68	Merchant Banks (12)	227.88	−1.1	—	4.19	—	230.30	229.91	230.57	231.98	250.56	251.54	11/4/84	184.10	24/7/84	278.57	1/5/72	31.21	7/1/75
69	Property (50)	634.72	−0.2	5.57	3.56	23.78	635.96	636.82	640.79	646.23	578.25	648.74	19/12/84	528.77	10/2/84	648.74	19/12/84	56.01	20/4/65
70	Other Financial (26)	284.91	−0.6	8.18	5.68	14.73	286.50	292.28	294.10	293.94	267.96	296.92	6/2/85	226.07	24/7/84	303.18	18/5/72	33.29	17/12/74
71	Investment Trusts (106)	596.30	−0.3	—	3.33	—	597.89	602.75	609.73	611.94	518.73	635.62	7/3/85	457.91	1/6/84	635.62	7/3/85	71.12	13/12/74
81	Mining Finance (4)	302.40	−0.5	9.49	5.03	13.42	303.77	303.88	301.57	300.92	332.69	337.57	10/4/84	250.14	24/7/84	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	655.96	+0.5	9.59	6.35	12.93	652.82	653.61	656.45	663.67	589.37	687.15	22/1/85	485.16	12/7/84	687.15	22/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (739)	616.21	−0.7	—	4.47	—	620.33	620.92	622.16	625.44	524.20	630.16	15/3/85	464.84	24/7/84	630.16	15/3/85	61.92	13/12/74
		Index No.	Day's Change	Day's High	Day's Low														
	FT-SE 100 SHARE INDEX	1277.9	−10.1	1284.8	1276.1	—	1287.1	1288.0	1290.4	1297.8	1113.6	1309.9	15/3/85	986.9	23/7/84	1309.9	15/3/85	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri March 29	Day's change %	Thur March 28	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.41	+0.09	116.31	—	2.94
2	5-15 years	128.61	+0.24	128.30	—	3.29
3	Over 15 years	136.37	+0.26	136.02	—	2.03
4	Irredeemables	148.61	+0.41	148.01	—	1.62
5	All stocks	127.26	+0.19	127.02	—	3.00
6	Debentures & Loans	109.56	−0.01	109.58	—	2.39
7	Preference	77.11	−0.09	77.17	—	2.15
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	110.48	+0.59	109.84	—	0.78

	AVERAGE GROSS REDEMPTION YIELDS		Fri March 29	Thur March 28	Year ago (approx.)	1984 Highs		1984 Lows	
	British Government								
1	Low	5 years	10.82	10.82	9.94	12.82	30/7/84	9.24	17/1/84
2	Coupons	15 years	10.61	10.64	10.05	11.65	30/7/84	9.86	9/1/84
3		25 years	10.16	10.20	9.66	10.98	23/7/84	9.63	9/1/84
4	Medium	5 years	11.67	11.68	10.54	13.13	30/7/84	10.49	13/3/84
5	Coupons	15 years	10.93	10.96	10.51	12.20	30/7/84	10.41	9/1/84
6		25 years	10.37	10.40	9.97	11.53	23/7/84	9.87	9/1/84
7	High	5 years	11.75	11.77	10.66	13.18	30/7/84	10.62	6/3/84
8	Coupons	15 years	11.09	11.11	10.65	12.30	30/7/84	10.61	13/3/84
9		25 years	10.50	10.51	10.05	11.40	23/7/84	9.98	9/1/84
10	Irredeemables †		10.01	10.05	9.62	10.84	30/7/84	9.54	12/11/84
11	Debs &	5 years	12.02	12.05	11.30	12.99	1/8/84	11.18	22/3/84
12	Loans	15 years	11.73	11.73	11.30	13.04	31/7/84	11.29	29/3/84
13		25 years	11.55	11.54	11.30	13.10	12/7/84	11.29	29/3/84
14	Preference †		12.72	12.71	12.83	13.44	17/7/84	11.90	7/3/84
15	Inflation rate	5%	3.35	3.39	3.33	4.02	30/7/84	3.11	11/3/85
16		10%	3.17	3.20	3.17	3.82	30/7/84	2.94	11/3/85

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	297.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES:— Dunlop (9), Vibroplant (3), Victoria Products (4) and Wigfall (H.) & Sons (34) have been deleted. Myson Group (6), Micropen Holdings (46), (F. H.) Tomkins (6), P.W.S. International (67) and FKI Electricals (4) have been inserted. Reclassifications:— Peninsular & Oriental (Defd.) has moved from group 45 into 46. Rothschild (J.) & Sons has moved from group 66 into 70.

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (64)

BRITISH FUNDS (2)
Conv 9½pc 2001 — Exchq 10½pc 2005
INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
Euro. Inv. Bk. 10½pc 2004
BREWERS (1)
Brown (Matthew)
BUILDINGS (3)
Access Satellite — Watts Blake Bearne
Ibstock Johnsen
CHEMICALS (3)
Allide Hldgs. — Wolstenholme Rink
Cory (Horace)
STORES (5)
ASR — Selincourt
Owens Group — Woodworth
Home Charm
ELECTRICALS (6)
Cray Electronics — Goring Kerr
Datasery Inc. — Microgen
Energy Services — Telecomputing
ENGINEERING (10)
Brahm Millar — Hampson Inds.
Brasway — Planet
Delta Group — 600 Group
Firth (G. M.) — Williams Hldgs.
Haden — Yarrow
INDUSTRIALS (14)
Appledore (A. & P.) — Dyson (J. & J.) A
BETEC — High-Point Services
Briden — Hyman (I. & J.)
British Aerospace — Lond. Midland Ind.
Brit Bloodstock Agcy — Low & Bonar
CVD Inc — Wade Potteries
Courtney Pope — Watman Reeve Angel
LEISURE (1)
President Entertains
MOTORS (1)
Abbey Panels
NEWSPAPERS (2)
E. Midland Allied A — News Intl. Spec. Div.
PAPER (1)
Valin Pollen Intl
SHIPPING (1)
Ocean Transport
SHOES (2)
Garnar Booth — Lambert Howarth
TEXTILES (4)
Allied Textile — Illingworth Morris
Dixon (David) — Leeds Group
TRUSTS (1)
Parambe
OILS (2)
Aberden Amer. Pet — Highland Participants
MINES (4)
Cons Modderfontein — Renison
ACM — Sons of Gwalia

NEW LOWS (19)

AMERICANS (1)
Derma-Lock Med.
CANADIANS (2)
Hudson's Bay — Massey-Ferguson
ELECTRICALS (2)
Denmans Elect. — Telefusion
ENGINEERING (1)
Westland
FOODS (2)
Sutherland (E. T.) — Whitworth's Food
INDUSTRIALS (4)
CSE — Stag Furniture
Fobel Intl. — Stainless Metalcraft
PAPER (1)
Addison Page
PROPERTY (1)
Control Secs.
TEXTILES (1)
Youghal Carpets
TRUSTS (2)
North Sea Assets — Newmarket
OILS (1)
Edinburgh Oil & Gas
MINES (1)
York Resources

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	81	7	19	300	100	130
Corpns. Dom. and Foreign Bonds	11	5	58	83	33	236
Industrials	234	357	855	1,398	1,835	4,197
Financial and Props.	64	169	314	368	846	1,531
Oils	16	38	71	130	160	330
Plantations	—	3	14	11	24	50
Mines	67	27	84	282	181	421
Others	35	106	73	214	505	361
Totals	508	712	1,487	2,792	3,484	7,256

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Assoc Brit Ports	244	+10	Ocean Transport	183	+15
Brit Telecom	141	− 3	Scot & Newcastle	128½	+ 3½
Delta Group	155	− 7	Stewart Wrightson	607	−16
French Connection	260	−35	TI	238	− 6
Ibstock Johnsen	315	+12	Telecomputing	510	+70
Lonrho	177	+ 6	Woolworth	780	+33

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Reed Intl	29	680	−20	Jaguar	15	302	+ 2
Woolworth	25	747	+62	Br Aerospace	14	414	+ 1
Lucas Inds	20	233	+16	Cable & Wire	14	515	−10
Equipu	17	220	+20	BAT Inds	13	326	− 2
ICI	17	773	− 2	BTR	13	662	−10
GUS A	16	735	−10	BP	13	540	+ 7
TI	16	244	+18	Thorn EMI	13	338	− 8

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
BAT Inds	133	326	−25	Falcon Res	84	475	+15
ICI	128	773	− 8	Comm Union	72	206xd	+ 8
Jaguar	101	302	−11	Thorn EMI	83	396	−22
BTR	93	692xd	+ 3	BP	82	540	−10
Br Aerospace	88	414	−22	Cons Gold Flds	80	537	+ 8
Shell Trans	87	700xd	−17	Fleet Hldgs	79	297	+17
Glaxo	85	£11⅛	− ⅛	Grand Met	76	380	−10

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
‡82	F.P.	19/4	79	72	✠BTS 10p	75	.....	bg3.4	3.0	6.4	9.2
¶185	F.P.	3/5	223	183	✠Bedford (William) 5p	188	.....	n3.5	3.6	2.7	20.8
150	F.P.	3/5	152	131	Berkeley Technology	150	.....	bQ6.7c	1.6	4.0	15.7
‡60	F.P.	—	88	78	✠Crown Int'l Prod 10p	80	.....	bg2.1	1.6	3.8	22.6
‖	F.P.	—	127	118	Cullen's Hldgs 10p	125	.....	—	—	—	—
100	F.P.	22/3	103½	93½	German Small Inv.	101	.....	—	—	—	—
—	F.P.	—	42	37	Do. Warrants	42	+1	—	—	—	—
¶145	F.P.	14/3	180	153	Hillsdown Hldgs. 10p	160	+5	gd3.5	♦	3.1	♦
182	F.P.	—	86	82	✠Laidlaw Thomson	82	.....	g3.5	2.0	6.1	11.4
¶145	F.P.	26/4	162	156	Mann 20p	160	+4	bg3.5	3.8	3.1	15.4
‡100	F.P.	19/4	130	117	✠Mayhew Foods 10p	120	.....	bg1.93	3.2	2.3	18.8
‡125	F.P.	22/3	218	190	✠Osborne & Little 5p	202	.....	bg2.0	3.2	1.4	32.9
100	75	1/5	78	70	Pacific Assets Tst 50p	75	+1	—	—	—	—
—	F.P.	—	44	39	Do. Ser. 1 Warrants	43	.....	—	—	—	—
‡‡	F.P.	—	90	80	P.&O. Warrants	80	.....	—	—	—	—
100	F.P.	18/4	107	91	✠Pape 10p	94	+1	u3.0	2.5	4.6	12.5
£7.25†	F.P.	—	750	690	Plantation Tst Units‡‡	702	+10	—	—	—	—
—	F.P.	—	95	90	REA Warrants	90	.....	—	—	—	—
‖	F.P.	—	69	37	✠Sangers	62	−2	—	—	—	—
‡128	F.P.	11/4	165	142	✠Sims Catering 5p	150	−5	bg3.3	3.1	3.6	17.4
‡174	F.P.	1/3	226	200	✠Synapse Comp'r. 5p	215	.....	bgd1.7	8.1	1.0	28.1

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+or−
91.574	£30	10/4	36	27	African Dev. Bank 11⅛% Ln. 2010	36	+⅛
100	F.P.	3/5	103¼	101¾	Bournemouth Wtr. 12¾% Red. Deb. '95	105	.....
‡101	£51	15/2	54	50	Felixstowe Dock Prf. Units †	52½	.....
85.81	£30	19/6	31	24	Int.-Am. Dev. Bk. 9¾ Ln. 2015	31	.....
100	F.P.	8/5	103¼	101¾	Mid Kent Wtr. 12¾% Red. Deb. 1995	103	.....
100	F.P.	2/5	102¼	100¼	Do. 12¼% Red. Deb. 2005	102¼	+¼
¶100	£10	23/5	12¾	12	Mid Southern Wtr. 9% Red. Prf. 1990	12¾	.....
‡97½	F.P.	26/4	100	96¼	Mid-Sussex Wtr. 12% Deb 2010	100	.....
—	F.P.	—	100	99½	Nationwide Bldg. Soc. 12⅞% 31/6/85	100	.....
‡‡	F.P.	—	120	108	P. & O. 6.3% Conv. Red. Prf.	109	+1
—	F.P.	—	97	96	REA Hldgs. 9% Cum. Pref.	95	.....
‡‡	F.P.	26/4	111	105	Sheafbank Prop. 6% Cum. Conv. Prf.	105	.....
42.895	£30	12/7	35½	30	Spain (Kingdom of) 11¾% Ln 2010	35½	+¼
91.876	F.P.	27/3	96⅞	89½	Sweden 11% Ln. 2012	96½	+½
‖	F.P.	12/4	101½	100½	Wigfall (H) 7% Cv.Cm. Prf Rd	101	.....

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or−
8	F.P.	29/4	36	18	✠Acorn Computer 1p	22	−1
225	F.P.	—	278	235	Bibby (J) 50p	235	−5
65	Nil	—	223pm	220pm	Bullough 20p	220pm	.....
A$2	Nil	—	48pm	40pm	✠CSR A$1	45pm	−3
38	Nil	—	10pm	9½pm	FKI Electricals 10p	10pm	.....
246	Nil	31/5	78pm	67pm	Fisons	68pm	−5
238	Nil	—	35pm	33pm	Glass Glover 5p	35pm	.....
70	Nil	—	5pm	½pm	Jackson Expin. †	½pm	.....
13½	F.P.	26/4	14½	12	Lyle Shipping Prefd. 5p	16	.....
A$0.2	Nil	—	3pm	2½pm	✠Oil Search	2½pm	.....
690	F.P.	26/4	382	360	R.E.A. Hldgs.	360	.....
83½	F.P.	12/4	66pm	36½pm	✠Sangers	62pm	−1
190	F.P.	31/5	204	195½	STC	202	.....
315	Nil	10/4	38pm	29pm	Trafalgar House 20p	29pm	.....
158	Nil	14/6	20pm	12pm	United Biscuits	12pm	−1
240	Nil	13/5	38pm	26pm	Watmoughs	35pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ▓ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. ‡ Placing price. † Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ♦ Figures or report awaited. ‡‡ Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Wrlld Gth Fd $11.86 +0.04 —
Inv Adv M & G Inv Mngt Ltd. London

Wren Commodity Management Ltd
10 St George St Douglas, IoM. 0624 25015

Wren Cm Fd	12.8	17.4	....	3.10
Chinese Fd	58.2	60.6	....	1.70
Prec Met Fd	67.3	70.1	....	8.30
Van Cmdy Fd	10.3	19.8	....	—
Fin Fut	22.1	23.5	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.
Dynamic Gth Fd 86.72 +0.03 —

Money Market Trust Funds

	Nom	CAR	Int Cr	Notice
The Money Market Trust				
63 Qn Victoria St. EC4P 4ST. 01-236 0952				
Call Fund	13.75	14.35	6mth	Call
7-day Fund	14.34	14.00	6mth	7-day
Oppenheimer Money Management Ltd				
68 Cannon St. EC4N 6AF. 01-236 1425				
Call Fund	13.64	14.10	6mth	Call
7-day Fund	14.23	14.73	6mth	7-day
Dollar	7.67	6.02	6mth	Call
MnyMgAcc	13.50	14.19	6mth	Call

Money Market Bank Accounts

	Nom	CAR	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 [illegible]				
Treas Acc	13.75	14.48	Qtr	Call
MthIncChe	13.50	14.37	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2P 2EH. 01-628 8060				
Cheque Acc	13.00	13.80	Mth	Call
Barclays Prime Account				
PO Box 128 Northampton. 0604 252801				
HighIntChq	13.00	13.64	Qtr	Call
Britannia Grp of Investment Companies				
20 Finsbury Circ. EC2M 5QL. 01-588-2777				
Cater Allen	13.25	14.09	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3[illegible]				
Sterling	15.30	14.37	Mth	Call
U.S. Dollar	8.00	6.330	Mth	Call
German Marks	5.0	5.115	Mth	Call
Swiss Francs	2.0	2.018	Mth	Call
Japanese Yen	5.0	5.118	Mth	Call
Co-operative Bank				
78-80 Cornhill, EC3. 01-628 6543 Ext 464				
Undr £1,000	11.00	11.47	Qtr	Call
Over £1,000	13.00	13.65	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
MnyMktAcc	13.30	14.20	Qtr	Call
Henderson/Bank of Scotland				
36 Threadneedle St EC2P. 01-628 [illegible]				
MyMthCdAc	13.00	13.80	Mth	Call
Lombard North Central plc				
17 Bruton St. W1A 3DH. 01-409 3[illegible]				
14-day Notice	13.25	13.88	Date	14-day
M & G Kleinwort Benson				
81-99 New London Rd. Chelmsford. 0245 51851				
HighIntChq	13.50	14.40	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8736				
HighIntChq	13.04	13.60	Qtr	Call
Provincial Trust (formerly Choulartons)				
30 Ashley Rd. Altrincham Cheshire WA1 2DW. 061-928 9011				
Cheque Acc	14.00	14.93	Mth	Call
Save & Prosper/Robert Fleming				
28 Western Rd. Romford, RM1 2LB. 0708 66966				
High Int Acc	12.76	13.61	Daily	Call
Premier Acc	12.76	13.81	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St. Bristol BS8 4BX. 0272 732241				
Demand Acc	13.66	14.27	Qtr	Call
Money Acc	13.75	14.47	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd				
Enterprise Hse. Portsmouth. 0705 827733				
Special Acc	12.50	14.37	Mth	Call
OvrE10,000	13.75	14.65	Mth	Call

NOTES—CAR: compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. u Offered price includes all expenses except agent's commission. v Offered prices include all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. + Ex-subdivision. ‡‡ Only available to charitable bodies. @ Yield column shows annualised rates of NAV increase.

MARKET REPORT

Sterling pulls market in opposite directions
Gilts advance but equity leaders fall sharply

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 11	Mar 21	Mar 22	Apr 1
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

The strength of sterling continued to pull the two principle sectors of London stock markets in opposite directions yesterday. Government securities completed in good style a week memorable for increased turnover and further small cuts in bank base rates. Leading shares, in sharp contrast, sustained their seventh consecutive fall, reflecting concern over the impact of the weaker dollar on international and U.S.-related stocks.

Overseas demand for Gilt-edged issues revived as the exchange rate touched a new four-month high of $1.26 yesterday. A continuing shortage of funds prevented many domestic institutions from participating in the movement, but long Gilts still managed fresh rises of ¼. Expectations of further Government funding tended to restrain professional traders.

At the official close, the authorities duly announced new funding of £750m via a £250m tranche of Exchequer 10½ per cent 1997 and a £500m issue of Conversion 9½ per cent 2004. The news failed to upset the market and when dealings restarted later quotations were little changed apart from a few ultra-long maturities, which eased fractionally. Index-linked Gilts finally reversed their post-Budget weakness, regaining ¾ in places on bear-covering purchases.

Top-quality shares opened only a shade easier but the continuing absence of significant institutional interest soon made markets restless. Prices began to fall faster and the downturn became self-feeding. Sales representing little more than token book-squaring operations ahead of the weekend became increasingly more difficult to place and bred an air of uncertainty.

International stocks were hit most with ICI and BOC sustaining double-figure losses. Lucas Industries ran into a bout of profit-taking after Thursday's preliminary statement, which aroused views that the group's recovery may not be complete, and also came back sharply. The FT Ordinary share index fell throughout the session and finally showed its heaviest fall since February 12 to close down 13.8 at 964.3.

Lloyds lower

Latin American debt uncertainties clouded sentiment in the major clearing banks. Lloyds, the bank with the greatest exposure to debts from that area, particularly Argentina, closed 10 down at 523p, after 520p. Barclays lost the same amount to 580p, while NatWest relinquished 7 to 618p and Midland eased 5 to 323p. Elsewhere, Royal Bank of Scotland declined 4 more for a fall of 22 over the week to 270p on fading takeover hopes.

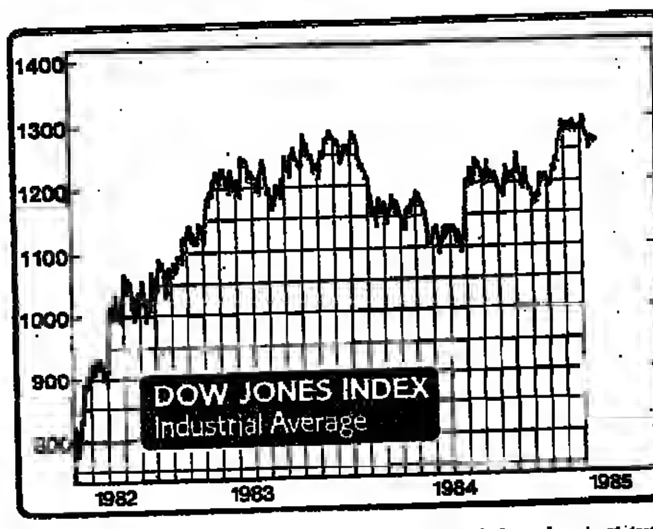
Life issues sustained sizable losses in a dull insurance sector. Legal and General dropped 15 to 680p following comment on the disappointing preliminary results. Sun Life cheapened 17 to 813p, while London and Manchester, 705p, Equity and Law, 250p, and Refuge, 330p, were all around 10 easier. The dollar's fresh fall again affected Lloyds brokers. Stewart Wrightson closed 16 lower at 607p on news of an acquisition in Bahrain, while C. E. Heath eased 7 to 620p and Willis Faber shed 10 at 650p. Reed Stenhouse fell 1½ to £12 on a Press suggestion that the company is re-negotiating merger terms with Alexander and Alexander Services of the U.S.; A and A closed ¼ off at £25½. Ahead of their respective preliminary statements scheduled for next Wednesday, GRE lost 10 to 685p and Sun Alliance softened 5 to 470p. Among other Composites, General Accident gave up 11 to 596p and Royals dipped 10 to 585p.

Architectural ironmongers Laidlaw Thompson made a quiet debut in the Unlisted Securities Market: the shares opened at 84p and touched 86p before slipping back to close at the placing price of 82p.

Scottish and Newcastle rallied 3½ to 128½p, while takeover target Matthew Brown rose 7 more to 442p; the rejected shares-and cash bid now values the latter at just under 441p per share.

Trading statements prompted several noteworthy movements among secondary building issues. Brick concern Ibstock Johnsen figured prominently, rising 12 to 315p, after 320p, following excellent annual profits, a 100 per cent scrip issue and vendor placing to finance the acquisition of T.F. Warner, a clay roof tiles manufacturer. On the other hand, USM-quoted Ramus fell 7 to 78p after revealing lower interim profits, while disappointing annual results clipped 8 from Breedon and Cloud Hill Lime Works, to 200p. Arncliffe eased to 32p following poor preliminary figures and a reduced dividend, but rallied smartly following a sizeable put-through just above the 40p level to close 10 higher on balance at 44p.

ICI opened 10 lower at 763p following the pound's overnight gains against the dollar and fluctuated narrowly around that level before closing a net 12 lower, or 21 down on the week, at 761p.



Woolworth up again

Proceedings in Retailers again centred on Woolworth which responded afresh following favourable comment on the bumper preliminary profits and 1-for-1 script issue to touch 784p before settling 33 up on the day and 87 on the week at 780p. Elsewhere, French Connection remained depressed by a broker's downgraded profits forecast and although closing above the worst, still recorded a loss of 35 at 260p for a decline of 100 over the past two trading sessions. Liquidation of speculative positions left Bolton Textile 5 lower at 19p after 17p, while further consideration of the disappointing annual results clipped 10 more from Cecil Gee, at 140p. A.S.R., formerly Allied Leather Industries, were marked 80 higher to 445p following agreed terms from Minit International. Lambeth Hewarth, annual results scheduled next Tuesday, advanced 10 to 223p.

Supported by the institutions throughout the week, British Telecom turned reactionary and closed 3 easier at 141p, after 140p, following comment regarding the 40p payment due on the shares in June. Other Electricals leaders drifted lower, with Plessey 4 cheaper at 192p and GEC 2 down at 186. Thorn EMI drifted back from 405p to finish the day unaltered but 34 lower on the week at 398p; sentiment has been depressed by a broker's bearish circular and increasing concern about its Inmos subsidiary. Elsewhere, Energy Services advanced 6 more for a two-day jump of 20 to 90p following the Board's strong rejection of Peek Holdings' offer. International Signal and Control rose 11 to 288p in response to revived U.S. support.

Delta were outstanding again among Engineerings, rising 7 more—a rise of 23 on the week—to 155p following comment on Tuesday's impressive results. Planet gained 4 to 82p ahead of Monday's annual results and Matthew Hall moved up 6 to 102p, reflecting concern over an Indian contract, while profit-taking in the absence of the rumoured bid from Babcock left TI 6 lower at 238p.

BAe strong

International stocks led the retreat in the miscellaneous industrial sector. BTR gave up 7 at 685p and Glaxo ½ at £10½, while BOC dropped 13 to 280p and Metal Box 15 to 395p, after 387p. Elsewhere, British Aerospace, still drawing strength from the excellent results and encouraged further by comment ahead of next week's formal launch of the £500m Government sale of its remaining 48 per cent holding in the company, gained 9 more for a rise of 48 on the week to 423p. AB Ports put on 10 to 244p ahead of Wednesday's preliminary figures, while speculative buying prompted a rise of 16 to 138p in Wade Potteries and one of 5 to 67p in Hollis Bros. E.S.A. Press forecasts of bumper annual profits when the group reports on Tuesday helped Pearson improve 5 to 693p. George Wills added 4 to 131p on sharply higher annual earnings, but sporadic offerings left Sketchley 24 down at 360p and Cooksen 20 off at 555p: the preliminary figures of the last-named are scheduled for Wednesday.

After reacting sharply earlier in the week on the directors' warning that the recent rise in the share price bore no relation to the company's current trading position, Pavilion Leisure met with renewed speculative demand and gained 9 to 41p.

Lucas Industries, 269p, gave up most of the previous day's advance of 16 that followed the better-than-expected interim statement. Abbey Panels, on the other hand, attracted fresh demand in a thin market to close 13 to the good at 130p. Jaguar plight of the dollar and dipped continued to react to the current 7 for a loss on the week of 19 at 295p.

Publishers were irregular. Associated Newspapers shed 15 to 800p, while United, which announced more-than-doubled annual profits on Thursday, eased a couple of pence to 308p. In contrast, Home Counties spurted 20 to 148p, after 151p, following excellent preliminary figures, while sympathetic support was evident for East Midland Allied Press 10 better at 140p with the more widely-traded A shares 6 higher at 124p, after 126p. Waverley Cameron closed 4 dearer at 82p as the company's confident outlook outweighted the disappointing full-year results.

The continued withdrawal of speculative support in the wake of the company's statement giving notice of its intention to remain independent saw Stock Conversion shed 12 for a two-day fall of 22 to 448p. Elsewhere in the Property sector, Berkeley and Hay Hill touched 11½p on the good annual results before profit-taking left the close ¼ cheaper on balance at 10¾p. The extraordinary item of £350,000 relating to the disposal of the Merleys Estate Agents business completely overshadowed Regentcrest's improved half-year profits and the shares shed a penny to 21p. Lower interim profits left Westminster and Country a couple of pence cheaper at 146p.

Ocean Transport and Trading were one of the day's livelier counters, rising 15 to 153p, after 154p: Press suggestions that P&O, 7 off at 345p, was set to launch a bid for Ocean was greeted with scepticism in certain quarters, Trafalgar House or Transport Development being mooted as other possible suitors. Total eased 3 to 72p, to settle a fraction below the increased and final offer price from Entrad. Allied Textile attracted revived support, which continued into the after-hours business, and closed 29 higher for a two-day advance of 39 to 431p. David Dixon were wanted at 188p, up 8.

Tricentrol advance

Leading oils provided a firm feature in Tricentrol which rose 10 to 233p following the satisfactory results and continuing bid hopes. Ultramar also attracted good support and moved up a like amount to 227p.

Shell managed to improve 6 at 706p and LASMO hardened a few pence to 350p, the latter ahead of interim figures expected next Wednesday. Burmah Oil, scheduled to report preliminary results on April 11, improved to 211p before settling 3 firmer at 207p.

Among secondary oils, Highland Participants advanced 15 to a peak of 270p, while Aberdeen American Petroleum put on 4 more to a 1984-85 high of 115p.

Lonrho touched 179p before settling a net 6 dearer at 177p following the chairman's confident statement at Thursday's annual meeting.

Golds gain ground

Events in foreign exchange markets remained the dominant factor in mining markets. An early decline in the dollar gave an initial boost to the bullion price which moved steadily higher to touch $334 an ounce. However, a gradual recovery by the U.S. currency pulled the metal price back to a closing level of $330, a rise of $3 on the day and $14.6 over the week.

South African Golds mirrored this performance. Prices made good progress at the outset, reflecting persistent Johannesburg demand and limited London support, but later encountered light profit-taking and closed a shade below the best levels in dollar terms. Sterling quotations were restrained by the firmness of the pound in early trading but generally made good gains on balance. The Gold Mines index, registering its fourth successive improvement, rose 8.9 more to 515.2, for a week's gain of 9.8.

The best performers in the heavyweights included Randfontein, £95¾, Southvaal, £38¼, and Vaal Reefs, £81¼, all of which posted gains in the region of £1½.

South African Financials moved higher in line with Golds. Anglo American Corporation put on ½ to £10¼, De Beers 11 to 423p.

The weakness in the dollar also boosted free market platinum prices and producers of the metal responded accordingly. Rustenburg advanced 25 to 780p, while rises of 20 were common to Impala and Lydenburg at 940p and 550p respectively.

Golds continued to hold centre-stage in a generally buoyant Australian market. Central Norseman Gold settled a further 25 higher at 418p and Poseidon rose 7 to 218p. Second-line issues showed Metana 8 better at 142p, Carr Boyd 4 firmer at 68p and Sons of Gwalia 3 up at a year's best of 87p.

Demand for Traded Options declined slightly. Total contracts amounted to 7,081, bringing the week's daily average to 8,599. The FT-SE 100 contributed 251 calls and 576 puts, while British Telecom were to the fore with 1,029 calls and 473 puts struck. ICI attracted 678 calls, 346 in the April 800's. Lonrho were also wanted and recorded 502 calls and 339 puts.

FINANCIAL TIMES STOCK INDICES

	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 22	year ago
Government Secs.	81.81	81.10	81.06	80.78	80.74	80.76	83.19
Fixed Interest	85.63	85.57	84.88	84.63	84.54	84.53	86.79
Ordinary	964.3	978.1	979.3	983.0	989.9	992.4	877.0
Gold Mines	515.2	506.3	508.1	500.3	499.7	505.4	655.9
Ord. Div. Yield	4.71	4.64	4.64	4.61	4.57	4.57	4.39
Earnings Yld.% (full)	11.70	11.55	11.53	11.42	11.35	11.33	9.30
P/E Ratio (net) (*)	10.43	10.58	10.59	10.66	10.75	10.75	12.28
Total bargains (Est.)	26,513	25,687	26,966	26,597	27,782	23,448	28,420
Equity turnover £m.	—	456.00	369.38	342.83	286.93	414.04	531.65
Equity bargains	—	23,527	24,002	24,386	26,110	28,600	23,635
Shares traded (ml)	—	237.7	191.2	184.8	166.5	217.4	192.1

10 am 975.4. 11 am 971.4. Noon 968.9. 1 pm 966.9. 2pm 966.5. 3pm 965.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.09.

HIGHS AND LOWS

	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.27 (9/1/84)	74.79 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.45 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (23/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (9/5/84)	439.5 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Mar. 28	Mar. 27
Daily Gilt Edged Bargains	171.1	161.6
Equities Bargains	159.4	185.5
Equities Value	821.7	746.6
5day Average Gilt Edged Bargains	158.5	157.3
Equities Bargains	164.1	157.3
Equities Value	756.4	758.1

LEADERS AND LAGGARDS

Percentage changes since December 30 1984 based on Thursday March 29 1985

Newspapers, Publishing	+20.28	Investment Trusts	+ 4.65
Telephone Networks	+19.91	All-Share Index	+ 4.52
Metals and Metal Forming	+18.27	Food Manufacturing	+ 4.47
Insurance (Life)	+17.68	Overseas Traders	+ 4.39
Shipping and Transport	+17.59	500 Share Index	+ 4.23
Office Equipment	+14.87	Merchant Banks	+ 3.64
Insurance Brokers	+14.21	Industrial Group	+ 3.56
Motors	+13.60	Consumer Group	+ 2.28
Other Groups	+11.82	Banks	+ 2.13
Other Industrial Materials	+11.62	Food Retailing	+ 2.06
Insurance (Composite)	+10.98	Health and Household Products	− 0.48
Mining Finance	+10.93	Property	− 0.70
Mechanical Engineering	+ 9.61	Electricals	− 1.30
Packaging and Paper	+ 9.41	Brewers and Distillers	− 1.30
Oils	+ 8.59	Building Materials	− 1.56
Stores	+ 7.24	Capital Goods	− 1.67
Textiles	+ 7.14	Leisure	− 3.62
Financial Group	+ 6.06	Tobaccos	− 4.11
Gold Mines Index	+ 5.72	Contracting, Construction	− 5.38
Chemicals	+ 3.60	Electronics	−13.36

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 18	Mar 29	June 27	July 8
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5

For rate indications see end of Share Information Service

Call options were taken out in Appledore, Torkgreen Investment, Albert Fisher, Resource Technology, Tricentrol, Selincourt, Charterhall, Bats, Stakis, Sound Diffusion, "The Times" Veneer, Yorkshire Chemicals, Ocean Transport and Trading, Falcon Resources and Combined Technologies. A put was done in Ocean Transport, but no doubles were reported.

MONTHLY AVERAGES OF STOCK INDICES

	March	February	January	December
Financial Times				
Government Securities	80.49	78.71	80.25	82.59
Fixed Interest	84.15	83.57	84.28	85.87
Ordinary	982.4	979.3	977.0	889.6
Gold Mines	489.5	481.3	437.8	505.2
Total Bargains	26,240	25,049	23,116	24,715
F.T.—Actuaries				
Industrial Group	653.91	623.15	624.59	593.11
500 Share	680.24	671.27	663.85	633.01
Financial Group	456.57	448.40	441.01	425.03
All-Share	622.08	614.51	604.88	577.74
FT-SE 100	1290.6	1277.0	1256.0	1202.6

	March High	March Low
Ordinary	1002.0 (15th)	964.3 (29th)
All-Share	630.15 (15th)	605.82 (1st)
FT-SE100	1309.9 (15th)	1250.9 (1st)

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Fri March 29 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Thur March 28 Index No.	Wed March 27 Index No.	Tues March 26 Index No.	Mon March 25 Index No.	Year ago (approx.) Index No.	Highs and Lows Index
1	CAPITAL GOODS (207)	545.22	−0.7	10.33	4.05	12.25	549.15	550.10	551.17	553.57	522.72	1984-85 High 577.15 22/1/85; Low 450.90 12/7/84; Since Compilation High 577.15 22/1/85; Low 50.71 13/12/74
2	Building Materials (23)	501.51	−0.4	12.76	5.02	9.70	503.32	504.87	503.55	504.94	522.09	[illegible]
3	Contracting, Construction (29)	700.67	—	13.18	5.66	9.77	700.77	698.59	699.38	701.03	767.30	[illegible]
4	Electricals (15)	1558.56	−0.8	9.80	4.67	13.02	1570.39	1564.90	1534.22	1549.15	1727.52	[illegible]
5	Electronics (36)	1672.38	−0.9	8.97	3.04	14.43	1687.87	1692.76	1703.41	1716.68	1777.55	[illegible]
6	Mechanical Engineering (62)	304.89	−0.2	11.83	4.43	10.77	305.48	304.66	302.78	302.81	246.98	[illegible]
8	Metals and Metal Forming (8)	196.67	−0.9	11.50	7.36	10.75	198.42	196.07	198.25	198.42	285.78	[illegible]
9	Motors (17)	161.35	−1.6	13.65	5.20	9.17	163.92	162.52	164.21	166.38	342.04	[illegible]
10	Other Industrial Materials (16)	929.96	−1.1	7.16	3.30	17.01	939.89	950.38	954.50	958.07	690.25	[illegible]
21	CONSUMER GROUP (180)	630.68	−0.7	9.55	3.91	12.64	634.90	634.98	638.77	643.74	527.34	[illegible]
22	Brewers and Distillers (23)	559.17	−0.6	12.09	4.80	10.25	562.82	563.59	566.72	570.76	514.57	[illegible]
25	Food Manufacturing (21)	500.72	−0.5	11.68	4.81	10.66	503.23	503.86	505.51	506.85	407.40	[illegible]
26	Food Retailing (13)	1492.28	—	6.41	2.45	20.78	1492.05	1482.23	1475.01	1484.76	1234.66	[illegible]
27	Health and Household Products (9)	997.72	−1.6	6.00	2.71	19.47	1014.26	1023.52	1029.45	1028.74	790.76	[illegible]
29	Leisure (22)	667.00	−0.3	8.52	4.90	15.38	668.95	670.26	676.43	680.71	680.21	[illegible]
32	Newspapers, Publishing (12)	1752.52	−0.5	6.67	4.31	19.41	1761.61	1761.44	1760.33	1732.53	1304.32	[illegible]
33	Packaging and Paper (14)	315.60	−0.9	11.69	4.61	9.86	318.48	323.24	323.89	322.29	261.28	[illegible]
34	Stores (44)	590.94	−0.3	6.98	3.29	17.38	592.86	587.26	581.47	591.04	488.43	[illegible]
35	Textiles (19)	319.41	−0.8	13.26	4.62	8.69	321.86	321.93	326.87	327.05	294.69	[illegible]
36	Tobaccos (3)	853.80	−1.1	17.04	5.02	6.54	863.18	868.60	916.00	934.91	608.78	[illegible]
41	OTHER GROUPS (97)	675.98	−1.1	8.94	4.00	14.09	683.44	683.15	681.21	682.16	450.34	[illegible]
42	Chemicals (17)	750.74	−1.7	13.79	4.86	9.00	763.85	766.63	775.90	780.90	613.08	[illegible]
44	Office Equipment (4)	177.92	−1.4	7.43	4.70	16.66	180.42	183.08	183.63	184.81	238.20	[illegible]
45	Shipping and Transport (11)	1145.92	+1.2	6.98	4.13	18.83	1132.09	1124.68	1134.41	1147.40	836.26	[illegible]
46	Miscellaneous (63)	838.21	−0.5	7.19	3.49	16.90	842.07	844.72	846.10	848.07	607.99	[illegible]
48	Telephone Networks (2)	830.20	−1.4	8.06	3.88	16.18	842.22	838.21	825.38	822.58	0.0	[illegible]
49	INDUSTRIAL GROUP (483)	628.74	−0.8	9.59	3.97	12.89	633.77	634.02	635.63	638.92	519.31	[illegible]
51	Oils (17)	1166.66	+0.5	15.82	7.12	7.77	1161.22	1156.57	1162.77	1173.84	1076.55	[illegible]
59	500 SHARE INDEX (500)	673.74	−0.6	10.44	4.40	11.82	677.96	677.82	679.80	683.66	565.94	[illegible]
61	FINANCIAL GROUP (115)	456.47	−1.1	—	5.05	—	461.60	463.73	461.26	463.24	394.73	[illegible]
62	Banks (6)	441.21	−1.5	18.35	6.57	7.49	447.82	449.37	450.49	453.51	398.89	[illegible]
65	Insurance (Life) (8)	674.23	−1.8	—	4.61	—	686.27	693.10	671.23	669.35	487.39	[illegible]
66	Insurance (Composite) (7)	340.75	−1.4	—	5.56	—	345.64	345.68	338.04	340.38	290.81	[illegible]
67	Insurance (Brokers) (7)	1161.79	−1.3	7.40	3.38	17.86	1177.00	1181.76	1193.00	1199.66	739.57	[illegible]
68	Merchant Banks (12)	227.88	−1.1	—	4.19	—	230.30	229.91	230.57	231.90	250.56	[illegible]
69	Property (50)	634.72	−0.2	5.57	3.56	23.78	635.96	636.82	640.79	644.23	578.25	[illegible]
70	Other Financial (26)	284.91	−0.6	8.18	5.68	14.73	286.50	292.28	294.10	293.94	267.96	[illegible]
71	Investment Trusts (106)	596.30	−0.3	—	3.33	—	597.89	602.76	609.73	611.94	518.73	[illegible]
81	Mining Finance (4)	302.40	−0.5	9.49	5.03	13.42	303.77	303.88	301.57	300.92	332.69	[illegible]
91	Overseas Traders (14)	655.96	+0.5	9.59	6.35	12.93	652.82	653.61	656.45	663.67	509.37	[illegible]
99	ALL-SHARE INDEX (739)	616.21	−0.7	—	4.47	—	620.33	620.92	622.16	625.44	524.29	[illegible]

	Index No.	Day's Change	Day's High	Day's Low		Thur March 28	Wed March 27	Tues March 26	Mon March 25	Year ago	Highs and Lows
FT-SE 100 SHARE INDEX	1277.0	−10.1	1284.8	1276.1	—	1287.1	1288.0	1290.4	1297.8	1113.6	1309.9 15/3/85; 986.9 23/7/84; 1309.9 15/3/85; 986.9 23/7/84

FIXED INTEREST

	PRICE INDICES	Fri March 29	Day's change %	Thur March 28	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.41	+0.09	116.31	—	2.94
2	5-15 years	128.61	+0.24	128.30	—	3.29
3	Over 15 years	136.37	+0.26	136.02	—	2.89
4	Irredeemables	148.61	+0.41	148.01	—	1.62
5	All stocks	127.26	+0.19	127.02	—	3.00
6	Debentures & Loans	109.56	−0.01	109.58	—	2.39
7	Preference	77.31	−0.09	77.37	—	2.15
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	110.48	+0.59	109.84	—	0.78

AVERAGE GROSS REDEMPTION YIELDS

		Fri March 29	Thur March 28	Year ago (approx.)	1984 Highs	1984 Lows
	British Government					
1	Low Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Debs & Loans 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	Inflation rate 5%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Inflation rate 10%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.06	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, [illegible]

CONSTITUENT CHANGES:— Dunlop (9), Viprolant (3), Victoh Products (4) and Wigfall (H.) & Sons [illegible] have been inserted [illegible] Holdings (46), (F. H.J Tomkins (6), P.W.S. International (67) and FKI Electricals (4) have been [illegible] moved from group 45 into 46. Rothschild (J.) & Sons has moved [illegible]

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (64)

BRITISH FUNDS (2)
Conv. 9½pc 2001 — Exchqr. 10½pc 2005

INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
Euro. Inv. Bk. 10½pc 2004

BREWERS (1)
Brown (Matthew)

BUILDINGS (3)
Access Satellite — Watts Blake Bearne
Ibstock Johnsen

CHEMICALS (3)
Allida Hldgs. — Wolstenholme Rink
Cory (Horace)

STORES (8)
ASR — Selincourt
Dixons Group — Woolworth
Home Charm

ELECTRICALS (6)
Cray Electronics — Goring Kerr
Dataserv Inc. — Microgen
Energy Services — Telecomputing

ENGINEERING (10)
Brahm Millar — Hampson Inds.
Brasway — Planet
Delta Group — 600 Group
Firth (G. M.) — Williams Hldgs.
Haden — Yarrow

INDUSTRIALS (14)
Appledore (A. & P.) — Dyson (J. & J.) A
BETEC — High-Point Services
Bridon — Hyman (I. & J.)
British Aerospace — Lond. Midland Ind.
Brit Bloodstock Agcy — Low & Bonar
CVD Inc. — Wade Potteries
Courtney Pope — Watman Reeves Angel

LEISURE (1)
President Entertains.

MOTORS (1)
Abbey Panels

NEWSPAPERS (2)
E. Midland Allied A — News Intl. Spec. Div.

PAPER (1)
Valin Pollen Intl.

SHIPPING (1)
Ocean Transport

SHOES (2)
Garnar Booth — Lambert Howarth

TEXTILES (4)
Allied Textile — Illingworth Morris
Dixon (David) — Leeds Group

TRUSTS (1)
Parambe

OILS (2)
Aberden Amer. Pet. — Highland Participants

MINES (4)
Cons. Modderfontein — Renison
AGM — Sons of Gwalia

NEW LOWS (19)

AMERICANS (1)
Derma-Lock Med.

CANADIANS (2)
Hudson's Bay — Massey-Ferguson

ELECTRICALS (2)
Denmans Elect. — Telefusion

ENGINEERING (1)
Westland

FOODS (2)
Sutherland (E. T.) — Whitworth's Food

INDUSTRIALS (4)
CSR — Stag Furniture
Fobel Intl. — Stainless Metalcraft

PAPER (1)
Addison Page

PROPERTY (1)
Control Secs.

TEXTILES (1)
Youghal Carpets

TRUSTS (2)
North Sea Assets — Newmarket

OILS (1)
Edinburgh Oil & Gas

MINES (1)
York Resources

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	81	7	19	300	100	130
Corpns. Dom. and Foreign Bonds	11	5	58	83	33	236
Industrials	234	357	865	1,398	1,635	4,197
Financial and Props.	64	169	314	388	846	1,531
Oils	15	38	71	130	180	330
Plantations	—	3	14	11	24	50
Mines	67	27	84	288	161	421
Others	38	106	73	214	505	381
Totals	508	712	1,487	2,792	3,484	7,256

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Assoc Brit Ports	244	+10	Ocean Transport	153	+15
Brit Telecom	141	− 3	Scot & Newcastle	128½	+ 3½
Delta Group	155	+ 7	Stewart Wrightson	607	−16
French Connection	260	−35	TI	238	− 6
Ibstock Johnsen	315	+12	Telecomputing	510	+30
Lonrho	177	+ 6	Woolworth	780	+33

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Reed Intl	26	560	−20	Jaguar	15	302	+ 2
Woolworth	25	747	+62	Br Aerospace	14	414	+ 1
Lucas Inds	23	263	+16	Cable & Wire	14	515	−10
Equipu	17	220	+20	BAT Inds	13	328	− 2
ICI	17	773	− 2	BTR	13	692	−10
GUS A	16	793	+10	BP	13	540	+ 7
TI	16	244	+18	Thorn EMI	13	398	− 5

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
BAT Inds	139	326	−15	Falcon Res	94	475	+15
ICI	126	773	+ 5	Comm Union	92	206xd	+ 8
Jaguar	101	302	−11	Thorn EMI	85	398	−22
BTR	99	692xd	+ 9	BP	82	540	−10
Br Aerospace	98	414	+29	Cons Gold Flds	80	535	+ 8
Shell Trans	93	700xd	+17	Fleet Hldgs	79	290	+17
Glaxo	95	£11¼	− ¼	Grand Met	76	280	−10

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ■ "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. L Dividend and yield based on prospectus or other official estimates for 1985-86. M Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	182	.....	Arnott	178	.....
Craig & Rose £1	£18	.....	CPI Hldgs	57	.....
Finlay Pkg. 5p	62	+4	Carrol Inds.	139	−1
Higsons Brew	118	.....	Dublin Gas	52	.....
Holt (Jos) 25p	790	.....	Hall (R. & H.)	45	.....
IoM Stm. £1	125	−2	Helton Hldgs.	16½	.....
IRISH			Irish Ropes	39	.....
Exch. 12% 1985	£99¾	+⅛	Jacob (W.& R.)	65	−1
Nat. 9¾% 84/89	£26¼	+¾	TMG	115	.....
Fin. 13% 97/02	595	+¼	Unidare	84	.....

OPTIONS—3-month call rates

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Henderson Administration (a) (b) (c)
Premier UT Admin., 5 Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

U.K. Funds				
Special Sits	101.0	108.0	....	1.43
(Accum. Units)	153.4	163.3	....	1.43
Recovery	73.4	78.3	....	2.25
Cap. Growth	47.4	50.4	....	1.55
(Acc. Units)	53.4	57.0	....	1.33
Inc. & Assets (U)	80.0	85.3	....	3.78
High Income Funds				
Inc. & Growth	106.1	112.9	....	3.47
(Accum. Units)	196.0	209.4	....	3.43
High Income	126.5	135.5	....	5.57
Extra Inc.	121.0	130.1	....	5.41
Smaller Cos Div	75.3	80.4	....	5.91
Pref. & Gilt	46.5	49.5	....	11.52
Gilt Trust	44.5	46.5	....	0.59
Fixed Interest	51.5	54.2	....	10.50
International				
Global Health	53.6	56.2	....	0.01
Global Tech (z)	93.0	99.6	....	0.94
International	111.9	119.2	....	1.29
Oil & Nat. Res	74.8	79.3	....	0.11
World Wide Mar 22	268.3	282.4	....	3.59
Overseas Funds				
Australian	62.8	66.6	....	0.78
European	125.2	131.8	....	1.02
European Small Cos	47.2	49.7	....	1.01
Japan Trust	84.9	90.0	....	0.27
Japan Special Sits	91.1	96.6	....	0.01
Pacific Sm. Cos	32.0	35.4	....	2.02
Singapore & M'sia	41.1	44.2	....	2.56
North Amer	127.6	137.2	....	1.20
Amer Smaller	48.0	51.6	....	0.01
Amer Recovery Tst	109.2	117.4	....	1.55
Exempt Funds				
High Income Uni	92.8	96.7	....	5.76
European March 27	96.7	100.7	....	1.78
Japan March 27	250.9	261.4	....	3.05
American March 29	83.8	87.2	....	0.77
Global Tech March 27	77.1	80.7	....	1.54
Pacific Ex Tst Mar 27	69.2	72.1	....	0.11
Pacific Ex Tst Mar 22	149.5	155.7	....	3.00

Hexagon Services Ltd.
4 Gt St Helens, London EC3P 3EP. 0708 45322

Brit Friars	141.5	147.6	....	2.26
Brewin Cap.	100.4	106.6	....	0.47
Brewin Inc.	102.2	106.5	....	4.14
Canada Gro.	124.8	134.2	....	6.01

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St, EC2P 2LX. 01-628 8011

(b) British Trust	412.4	438.8	+3.1	3.24
(b) Capital Trust	77.4	82.4	+1.1	2.91
(a) Dollar Trust	162.4	172.8	+2.0	2.97
(b) European Trust	59.6	63.5	+0.3	1.38
(b) Far East	88.7	94.4	+0.2	2.06
(b) Financial Trust	260.4	277.1	....	2.45
(b) Gilt & Fxd Int Inc.	27.3	28.4	....	10.37
(b) GIIT.I.Growth	37.2	38.7	....	3.61
(b) High Yield Tst	49.2	52.4	-0.1	6.52
(b) Income Trust	61.1	65.1	+2.1	5.06
(g) Int'l Trust	93.1	99.0	+2.1	3.16
(b) Japan Tech Tst	29.4	30.3	+0.5	0.65
(b) Nat. Resources Tst	34.5	36.8	-0.1	1.46
(b) Security Trust	138.6	147.5	....	3.30
(b) Smaller Cos Tst	54.8	58.3	-0.2	1.71
(b) Spec. Sits. Tst	79.4	84.5	....	1.84
Gen Exempt Mar 15	299.0	314.1	....	3.51

Darlington Unit Trust Mngt. Ltd.
Darlington, Totnes, Devon TQ9 6JE. 0803 862271
Total Perf. Unit Tst. | 48.8 | 52.4 | .... | 3.27

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485
Disc Inc March 22 | 75.8 | 80.8 | .... | 4.37

EFM Unit Trust Managers Ltd
4 Melville Crescent, Edinburgh. 031-226 3492

EFM American Fund	64.4	68.9	+0.5	2.34
EFM General Fund	65.9	70.5	+0.2	1.95
EFM Growth & Inc Fd	104.5	111.8	....	4.25
EFM High Dist. Fd	84.7	90.6	-0.2	6.34
EFM International Fund	160.9	171.1	+0.1	1.32
EFM Resources Fund	25.1	26.8	+0.1	2.24
EFM Smaller Inc Cos	22.2	23.7	-0.2	0.10
EFM Tokyo Fund	100.9	107.9	-1.0	0.23
Edinburgh Exempt Funds*				
American Mar 27	127.2	125.2	....	2.98
Japan Mar 23	68.5	70.9	....	0.34
Pacific March 29	198.0	204.9	....	1.69
Smlr Jpan Cos Mar 29	123.3	127.3	....	0.10

*Unauthorised

Equitable Units Administration Ltd
57-63, Princess St, Manchester. 061-236 5685
Equitable Pelican Uts | 282.3 | 300.4 | -2.0 | 3.43

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd, High Wycombe. 0494 33377

UK Gwth. Tst. Acc.	120.0	127.7	-0.3	3.42
UK Gwth. Tst. Inc.	102.8	109.3	-0.3	3.42
Higher Inc. Tst. Acc.	164.0	174.0	-0.3	5.67
Higher Inc. Tst. Inc.	140.7	149.6	-0.3	5.67
Gilt/Fxd Int.Tst. Acc.	84.5	88.9	+0.1	3.29
Gilt/Fxd Int.Tst.Inc.	74.2	78.1	+0.1	3.29
Nth. America Tst. Acc.	121.4	127.1	-1.1	0.78
Far East Tst. Acc.	92.0	97.8	-1.4	0.63
Euro. Tst. Acc.	92.8	98.0	-0.2	1.55
General Tst.	180.4	191.9	-1.3	3.16

F & C Unit Management
1 Laurence Pountney Hill, EC4R 0BA. 01-623 4680

F&C American Fd.	63.8	68.3	-0.3	0.57
F & C Cap Fund	88.4	94.6	-1.2	0.98
F & C Income	59.9	64.1	-0.6	5.56
Far Eastn Unit Fd	48.9	52.3	-0.7	1.06

FS Investment Managers Ltd.
190 West George St., Glasgow. 041-332 6462
FS Balanced Grth Fd. | 215.6 | 229.4 | .... | —

Fidelity International Management Ltd.
River Walk, Tonbridge, TN9 1DY. 0732 361144

American (z)	82.5	89.2	+0.4	0.90
Amer. Eq. Inc. (z)	30.3	32.7	....	5.40
Amer. Spec. Sits (z)	47.8	51.6	....	—
South E. Asia Tst (z)	26.4	28.1	+0.4	1.81
Japan Special Sits (z)	24.5	26.4	+0.1	—
Japan Trust (z)	84.7	91.1	+0.9	—
Managed Int. Tst. (z)	79.9	85.0	+0.6	0.78
Nat. Inc. Eq. Tst.	95.5	99.1	-0.3	6.27
Special Sits.	97.4	103.7	-0.8	1.30

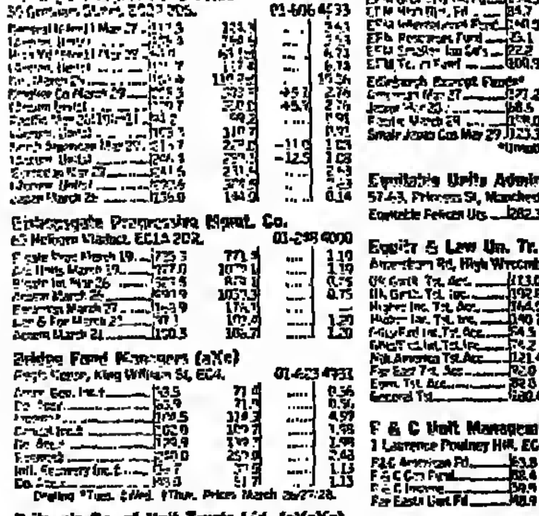
Dunbar Grieveson & Co. Ltd.
01-588 0373
Reset Sits: Day April 2 (by noon)

Ebor Fund Managers (a)(c)
01-623 4951

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2 01-588 2777. Dealing: 01-638 0478/0479
Britannia Viewpoint 01-675 6565

Dealing *Tues. ‡Wed. †Thur. Prices March 26/27/28.

INSURANCES



FINANCIAL TIMES
Saturday March 30 1985

MAN IN THE NEWS

Dedicated enemy of apartheid

By Anthony Robinson

MARX'S dictum that religion is the opium of the pople is proving as far from the truth in apartheid South Africa as in General Jaruzelski's Warsaw. Deprived of authentic representation in government, the balck majority has found not only comfort hut leadership from within the churches. How to deal with "turbulent priests" bas become one of the thorniest problems facing President P .W. Botha.

The most turbulent of all is the Rev Allan Boesak, the dapper 39-year-old Coloured theologian wbose arrest at the head of Tuesday's abortive march on Parliament in protest against police shootings in the Eastern Cape townships again served to put the Republic in the headlines.

Dr Boesak is tha seventh of 8 children of an impoverished *school teacher father* and *seamstress* mother from Kakmas, a remote village in the rural North-West Cape. He first emerged as a new force in the struggla against apartheid in 1976, the year of the Soweto nprising. At this turning point in contemporary South African

Allan Boesak: put South Africa in the headlines.

history, he returned from six years' study at the Calvinist theological seminary at Kampen, Holland, wbere be wrote his doctorial thesis on Black Theology and Black Power. His heroes are the anti-nazi German theologist, Deitrich Bonhoffer; the Afrikanner dissident priest, Beyers Naude "the man who cured my belief that all Boers were bad," and Martin Luther King.

In a coutry where apatheid extends also to churches, and where the white Dutch Reformed Church has given theological backing to white supremacy, Dr Beosak bas led the fight against apartheid on both theological and political grounds. His greatest triumph in the theological battle came at Ottawa in 1982 when the World Alliance of Reformed Churcbes, representing 70m believers around the world, both condemned apartheid as heresy and elected Dr Beosak as President. It was a double victory that still rankles among conservative Afrikanners.

Having dented Afrikaaner faith in the divinely inspired nature of apartheid, be then moved on to present a direct challenge to the Government'a plans for a new tri-cameral constitution by campaigning actively for a new coalition of forces to fight against it. This was the origin of the United Democratic Front, which has become the most important anti-government group in South Africa.

For the Government, the UDF is merely the banned African National Congress in a different guise. It is planning a major "treason trial" of UDF activists and other ways of curbing its activities. The links certainly are close. Nelson Mandela, the jailed ANC leader, is one of 15 "patrons" of the UDF, and many leading members are former ANC activists. But Dr Boesak denies it is an ANC puppet, adding: "If you are trying to create a representative and non-elitist people's movement in South Africa, it is very difficult to do so and not run into the ANC."

Fluent in Afrikaans and English, and an impressive orator, Dr Boesak is a voice and organising factor the Government would dearly like silenced. Early this year, the secret police mounted a smear campaign through the media linking Dr Boesak, a married man with four children, to a white woman official of the South African Council of Churches. It was timed to coincide with the visit of Sen Edward Kennedy, who toured the country with Dr Boesak as his host. The resnlt was "three months of sheer hell" and deep conflict within his church, followed finally by reinstatement.

Political rifts deepen in Greece

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE was plunged yesterday into political uncertainty and hitterness with the highly controversial choice of Supreme Court Jndge Christos Sartzetakis as the country's President. Mr Sartzetakis's election in a turbulent parliamentary vote was imediately challenged by the main opposition group, the New Democracy Party, which said it would refuse to recognise him as President.

The Socialist Government's success in securing the election of its candidate removes the likelihod of a May general election, although a poll has to he held by October. The clash over the methods used by the Socialists to capture the presidency and the move by Mr Andreas Pandreou, the Prime Minister, to question the validity of Greece'a 1975 constitution promise a highly volatile run-up to tha elections.

In a cliff-hanger ballot count, the government, with tha help of Communist and independent MPs, narrowly defeated MPs, narrowly scraped together the 180-strong majority required in the 300-member House for Mr Sartzetakis's election in a third and final round of voting for a new head of state. New Demrocacy's 114 deputies abstained. The balance was made up of five spoiled ballots and one blank.

The New Democrats challenged the result on the grounds that Mr Yiannis Alevras, the acting President and a Socialist deputy, took part in the balloting. Whether he had the right oFfit vteEtoTA ...OIN... to vote under the constitution is unclear.

Mr Alevraa refrained from voting in two earlier rounds of balloting this month, in which a 200-strong majority was needd to elect a presidant. The government initially consulted the nation'a leading constitutional expert on Mr Alevras's right to vote. The majority said he could not. The government settled the matter, however, by *taking it* before parliament, where the Socialists enjoy a comfortable majority.

"Our position is clear. We do not recognise Mr Sartzetakis as President. The matter will he settled by the people at the next general election," Mr Constantine Mitsotakis, the New Democracy leader, told the House.

Despite the dramatic tone of this statement, the presidential election is unlikely to precipitate a constitutional crisis because there is *little* the New Democrats can do to challenge Mr. Sartzetakis's presidency. Greece lacks constitutional courts, which might have ruled on a dispule of this kind. The New Democrats said yesterday tbat they would not attend the President's swearing in ceremony on Saturday.

An additional dispute arose in parliament because of the Government's insistence on using hallot papers of two colours—blue for its candidate and white against—a practice introduced in the second round of voting last weekend. Mr Mitsotakis denounced it as a violation of the parliamentary regulations which call for "uniform" hallot slips, and of the constitutional requirement that balloting for the presidency be secret.

The Government introdnced two-tone hallots in an effort to prevent dissident voting in its ranks.

Dr Papandreou defended his government's position by remioding the House that the Socialists, then in the opposition, had disagreed with the introdnction of the country's constitution in 1975, after the collapse of Greece's military *dictatorship*.

Profile of Mr Sartzetakis, Page 2

Government unveils proposals for cutting red tape on business

BY WILLIAM DAWKINS

THE GOVERNMENT yesterday unveiled a far-reaching consultative document calling for action to cut the red tape which it says chokes the growth of many small businesses.

Its proposals to streamline regulations dealing with the pay as you earn system, National Insurance, planning controls and audit requirements among many others were greeted with enthusiasm by business pressure groups. However, there were doubts over the prospects for getting the study'a recommendations implemented.

The report, Burden on Business, is the result of a £173,000 study, co-ordinated over eight months by Mr David Trippier, the Minister for Small Businesses, with the help of seven government departments. It calls for a small central task force "with real teeth" to be established. This would scrutinise regulatory proposals and regularly review the scope for simplifying existing requirements.

One of the report's more radical proposals is that the PAYE system should be put on to a non-cumulative basis, so employers can calculate National Insurance and PAYE on the same document. Other suggested areas for reform include value added tax, statutory sick pay, employment protection, building and fire regualtions, *health* and safety rules and consumer law.

The study will now be taken over by Lord Young, Minister without Portfolio, whose enterprise unit has heen looking at broader measures to promote enterprise. He will examine its recommendations as well as other options for cutting business red tape, and plans to make concrele proposals — which might lead to legislation—by the summer.

Mr Norman Tebhit, Trade and Industry Secretary, points out in tha introduction to the report that each area of government intervention may make only modest demands on employers. Taken together, however, "the cumulative burden of regulation is a serious brake on enterprise and employment."

Sir Terence Beckett, director-general of the Confederation of British Industry, said: "We are delighted that the Government has accepted . . . the need to cut down red tape that hampers industry. "The real test will he whether anything happens."

Mr Stan Mendham, chief executive of the Forum of Private Business, said: "This is the most important thing the Government has done for small businesses so far. But they have got to take it further."

Background, Page 4

THE main options outlined in Burdens on Business are:

PAYE/NI: Open the way to putting PAYE and NI calculations side hy side in tha same deduction tables.

VAT: Take more businesses out of the VAT net; consider monthly payment for very small businesses.

Planning controls: Introduce simplified planning zones; speed np local decisions; improve guidance to people starting business at home.

Company law: Scrap statutory audit requirements for ahareholder-managed companies and rednce prescribed content of company accounts.

Employment protection: More action to discourage ill-founded complaints in nnfair dismissal cases (e.g., by demanding cash deposits from complainants); curb wages councils' controls on young peoples' pay.

Jardine to sell fleet following £96m loss

BY DAVID DODWELL IN HONG KONG

JARDINE MATHESON, Hong Kong's oldest trading house, is to sell its shipping fleet and withdraw from the oil service industry. This was announced along with results for 1984 showing that a series of extraordinary losses had pusbed the group into a deficit of HK$913m *(£96m) against a comparable* profit of HK$351m.

Mr Simon Keswick, Jardine's chairman, said both Jardine and Hongkong Land, its deeply indebted associate, had in recent years "over-reached themselves and made unwise or poorly-controlled investments."

There was "no point in recrimination or the exercise of hindsight," he said, but the group's main aim now was "to simplify and restore a conservative approach"—by concentrating on core businesses and shedding unproductive assets.

Yesterday'a disclosures contrasted with the secrecy which has veiled the company over the past two years. Noting this change, Mr Keswick said: "So serious were the problems inside Jardine—if anything more serious than those in Hongkong Land—that we felt there was a time and a place for making public statements."

Jardine disclosed consolidated net earnings for the year of HK$80m, down from HK$125m, compared with a HK$300m surplus the previous year.

The 1984 result also suffered from *extraordinary* losses of HK$54m incurred in wrting down the value of the shipping fleet, HK$159m linked with property in Hawaii, and a further HK$108m representing Jardine'a sbare of extraordinary losses at Hong Kong Land.

Disposal of the ships and offshore oil servicing business will leave core operations including marketing and distribution, engineering, transport services, and financial and investment advice. These are to give greater autonomy.

Mr Keswick conceded that the board a year ago had underestimated the extent of the group's remaining problebs, hut he predicted that further provisions would not he needed, although he said it was premature to predict profit levels for 1985.

Turnover in 1984 was down more than 16 per cent to HK$8.9hn. The board is not recommending a final dividend, and does not promise resumption of dividend payments until they can be funded out of cash flow.

The "disappointing" 1984 results "mask a material increase in the group's underlying strength," Mr Keswick said.

Annual statement, Page 3

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 2½pc I.L. 2013	£87⅞	+ ⅞
ASR	445	+ 80
Allied Textile	431	+ 29
Arncliffe	44	+ 10
Assoc Brit Ports	244	+ 10
Brit Aerospace	423	+ 9
Delta Group	155	+ 7
Energy Services	90	+ 6
Hollis Bros	67	+ 5
Ibstock Johnsen	315	+ 12
Intl Sig & Control	288	+ 11
Lambert Howarth	223	+ 10
Ocean Transport	183	+ 15
Tricentrol	233	+ 10
Ultramar	227	+ 9
Wade Potteries	138	+ 16
Woolworth	780	+ 33

FALLS		
BOC	280	— 13
Bolton Textile	19	— 5
European Ferries	142½	— 5½
French Connection	260	— 35
ICI	761	— 12
Legal & General	680	— 15
Lucas Inds	269	— 14
Metal Box	395	— 15
Ramus	78	— 7
Sketchley	360	— 24
Stock Conversion	448	— 12
TI	238	— 6
Westland	102	— 6

WORLDWIDE WEATHER

Uk today: Cloudy with showers, sunny intervals in northern Scotland. Strong winds in exposed parts.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Corfu	R	12	54	Luxmbg.	C	4	39	Peking	S	11	52
Algiers		—	—	Dallas	C	22	72	Madeira	C	18	64	Perth	S	34	93
Amsdm.	R	5	43	Dublin	C	12	54	Madrid	S	11	52	Prague	F	5	41
Athens	S	17	63	Dbrvnk.	F	13	55	Majorca	F	15	59	Reykjvk.	S	−7	19
Bahrain	C	25	77	Ednbgh.		—	—	Malaga	S	15	59	Rhodes	S	18	64
Barclna.	S	14	57	Faro	S	17	63	Malta	C	16	61	Rio J'o		—	—
Beirut		—	—	Florence	S	12	54	M'chstr.	R	7	45	Rome	S	18	61
Belfast	R	8	46	Frankft.	C	7	45	Melbne.	C	18	64	Salzbrg.	C	7	45
Belgrd.	F	8	46	Geneva	S	8	46	Mx. C.		—	—	S F'cisco†	F	6	43
Berlin	F	6	43	Gibraltar	F	17	63	Miami†	F	21	70	Singapr.	F	32	90
Biarritz	S	17	63	Glasgow		—	—	Milan	S	11	52	S'tiago		—	—
Bmghm.	R	8	46	G'nsey	R	8	46	Montrl.†	F	3	37	Stckhm.	C	−2	28
Blackpl.	R	5	43	Helsinki	F	−1	30	Moscow	Sn	1	34	Strasbg.	C	8	46
Bombay	F	31	88	H. Kong	R	18	81	Munich	F	7	45	Sydney	S	25	77
Borde.	S	11	52	Innsbrk.	S	8	46	Nairobi	F	22	72	Tangier	S	17	63
Boulgn.	C	6	43	Invrnss.	C	2	36	Naples	S	4	57	Tel Aviv	F	22	72
Bristol	R	8	46	I.o.Man	C	8	46	Nassau		—	—	Tenerife	S	20	68
Brussels	C	6	43	Istanbul	S	14	57	Nwcstl.	R	3	37	Tokyo	C	12	54
Budpst.	F	8	46	Jersey	C	8	46	N Delhi	S	31	88	Toronto†	R	4	39
Cairo	S	25	77	Jo'burg		—	—	N York†	F	14	57	Tunis	F	15	59
Cardiff	C	8	46	L. Plms.	S	21	70	Nice	S	14	57	Valencia	S	16	61
Cape T.	S	28	82	Lisbon	S	14	57	Nicosia	S	22	72	Venice	S	11	52
Chicg.†	F	6	43	Locarno	S	11	52	Oporto	F	18	61	Vienna	F	8	46
Cologne	C	5	43	London	R	7	45	Oslo	F	2	36	Warsaw	C	5	41
Cpnhgn.	S	2	36	L. Ang.†	F	12	54	Paris	C	7	45	Zurich	F	7	46

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Thatcher Continued from Page 1

that an expected 2.5 per cent growh rate seemed unlikely to resolve the problem.

Consensus was developing around the need to slacken the rigidity in the labour market with, for example, Mr Wilfried Martens, the Belgian Prime Minister suggesting that hiring and firing should be made easier and that part-time working should be used as a palliative.

Concern was also expressed about the fluctuations of the dollar, hut there was no clear idea about what to do about it.

Soviet Continued from Page 1

roubles (£18.5m) in 1978.

The document says that technological improvements were made to two Soviet aircraft, the SU-27 and the MiG-29, as a result of the material obtained. Among the specific improvements made on the aircraft is lists the "high speed numerical computers," "the air signalling system" and weapons guidance instruments.

The publication of the material coincides with a visit to France of Mr Casper Weinberger, the U.S. Defence Secretary. The U.S. has long campaigned among its allies to prevent the Soviet Union obtaining advanced Western technology.

The French expulsion of Soviet diplomats was followed by the expulsion of 148 Soviet diplomats in the West in 1983.

David Buchan in London writes: Officials in London and Washington said last night they knew nothing abont the origin of Le Monde's disclosures.

A U.S. official described the Soviet assessment, if bona fide, as "very significant." The U.S. Government was aware that the French security services had obtained several documents at the time of the expnlsions. The Defence Department has for months tried to assess, withont the benefit of such inside intelligence, wbat military spending savings the Soviet Union has mada hy obtaining Western technology. Next month it is expected to publish a report claiming that such Soviet defence savings across the board, not just in aircraft, range from $7bn (£5.6bn) to $13bn a year.

Banks set up £150m fund for JMB losses

By David Lascelles, Banking Correspondent

THE BANK of England and two dozen UK banks yesterday signed a £150m agreement to cover *losses* of *Johnson Matthey* Bankers, which was rescued from the brink of collapse last September.

The delay in reaching an agreement reflects the complexity of the rescne and the determination of UK banks to set *strict terms for their* participation in an operation not all of them supported.

Under the agreement, the banks bave agreed to share whatever losses JMB suffers over and above the £170m It has in capital. Half of the indemnity, or £75m, will be borne by the Bank of England, which now owns JMB.

The remainder will be shared: £30m by the big clearing banks; £5m by the small clearing banks; £30m by members of the gold market where JMB is still a major dealer; and £10m by the accepting houses, except Rothschilds and Samnel Montague which are participating as members of gold market.

The indemnity package will *help* cover *losses resulting from* loans made by JMB before the end of September. Provisions for douhtful loans will be made by the hank5s management on the hasis of a report by Price Waterhouse, the a ccounting firm. Ernst Whinney, another accounting firm, will jndge whether the provisions are appropriate and cover loans that qualify for the indemnity.

JMB's financial year end will be extended from March 31 to June 30 to allow more time for the accounts to be settled.

The full extent of JMB's losses has not been calculated, and the banks may not be called on for some weeks. Bankers expect losses to be more than £250m, triggering at least £80m of the indemnity.

Kleinwort Benson, an accepting house, has made a small payment on account for tax reasons, and others are expected to do the same

The Bank of England's wisb to see banks share in JMB's losses bas caused considerable resentment among some bankers who do not see why they should pay for somebody else's mistakes.

THE LEX COLUMN

Twilight of the dollar

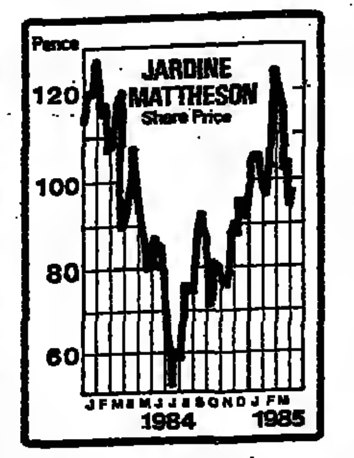
Last week's dollar slide—losing 5 per cent against the D-mark in as many days—has at last made fund managers seriously question their views on the U.S. as the safest haven for their money. Even gold, though hampered by its lack of yield and the rest of the world's lack of inflation, has held on to the previous week's sudden gain. But it is assets with a bit of income to recommend them that are really swinging back into fashion.

Gilt-edged stock gained two *points* at the long *end last week*—a direct result of sterling'a new-found strength—despita yet more offering from tha Government Broker. Indeed, sterling has done even better than tha D-mark, helped by the fiscal and monetary stringency of Mr Lawson's budget, and the higher yield on sterling assets.

Admittedly, the prospect of further capital gains in the UK fixed-interest markets are uncertain: the authorities seem undecided whether they can allow interest rates to fall. Last week, half the clearing banks misinterpreted their intentions: but no-one yet knows which balf. In any event, the prosepct of weaker oil prices in the Spring must remind the Government of last July, and the crash mat of high returns could be there to hreak a sterling fall.

The other side of sterling's reversal is shown by the weaker trend in the London equity market. Having got used to the idea that a high dollar was good for reported profits — because of higher exports and favourable translations of U.S. earnings — the market is bowing its consistency by marking down stocks like ICI and BTR which had previously benefited. With around half of UK corporate earnings dollar-related, the advantages of a sterling revalnation are donble-edged. If It goes to far, the CBI will waste no time in reminding Mrs Thatcher that Britain is losing its competitive edge — the sort of lobbying which President *Reagan has evidently been* listening to.

Index fell 13.8 to 964.3



Jardines

Jardine Matheson'a results for 1984 had been so graphically sketched in advance that the disappearance of HK$1hn from a less than robust balance sheet was no new cause for alarm. With a nip of further prime-rate cuts in the air, the market was cheered that Jardine could take its medicine as well as Hong Kong Land before it—but without the fancy fund-raising exercise. The market, depressed at the prospect of yet worse, picked up 29 points on the Hang Seng Index.

The group, as presented with uncharacteristic candour yesterday, is a charnel-house of discontinued busniesses. A fleet valued at HK$900m in the last accounts would surely fetcb more than $346m if only the Sonth China Sea were a more rewarding place to sell it—but exploration support services aro at an enormous discount. At least the HK$159m write off against Hawaian property looks like the last word on the subject.

In electing to conecntrate on core businesses in the manner of Hong Kong Land, Jardine has merely nnder*lined its* dependence on Land and the resumption of its cash dividends: a return of 8 per cent on capital employed is no recommendation for Jardine's own trading preformance. That Jardine was not awash with with cash was clear when it disdaines its rights in the Land issue, so it was no tremendous surprise to see the dividend dropped. Jardine seems relatively lightly geared only in contrast to the depely-indebted Land.

Though the improvement in Central values and any further fall in interest rates will assist Land in its long haul back, the letting of Exchange Square remains a tremendous hurden. As for Jardine, it is an inor*dinately expensive recovery* stock, inflated by a hid premium that is scarcely convincing; while management has still a great deal to do to recoup past political and other clumsinesses.

Entrad/Tootal

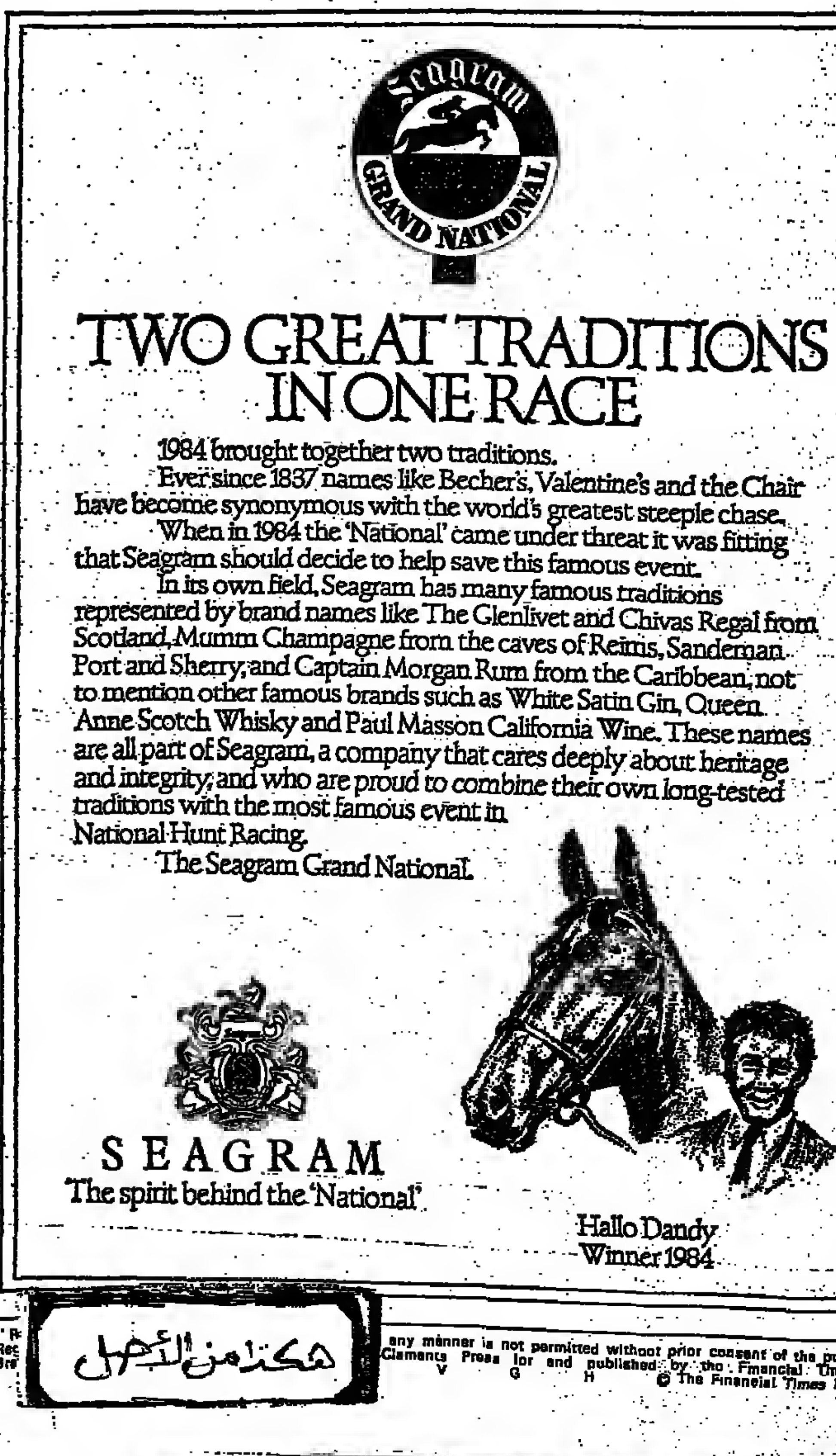
With only three we[ek]s in the Entrad/Toot[al] shareholders must stil[l] [be con]fused about what to [do.] Entrad's increased off[er to]day hardly lifts the f[...] Entrad offered, say, [...] would prohahly have [...] immediate knock-out. [...] 74.37p that Tootal sha[reholders] will get is so little abo[ve to]day'a price of 72p that [they would] do best to sit tight [as the] closing date nears.

Entrad has made it q[uite clear] *that this is a final of*[fer, and] seems to be gambling [on a fall]ing market or sheer bo[...] make its case for it. [...] Entrad's size, however [...] ably could not afford t[o be] more generous; and ha[ving said] that 70p already ov[ervalues] Tootal, it would [be] embarrassing at best [to pay] mnch more.

Tootal claims that [...] latest bid does not r[eflect its] true worth and that i[ts shares] are not just sitting [on a] cushion. A prospective [yield of] nearly 8 per cent—t[wice the] market average—must help tn prop np the sha[res,] as should speculation [about a] friendly, of predatory, fro mVantona Viyella. [A] historic exit p/e of ju[st over] 10—and a prospective [p/e] of 7.8 on the latest pr[ofit fore]cast—are not exactly bare. Coats Patons, [...] regarded as a better c[...] stands on an historic r[...] 6¼ and if Tootal is t[o] retain the loyalty of [the] *funds* by humping up [the divi]dend, it may be thwarte[d ...] are, after all, heing [...] higher-yielding (if sho[rt-dated]) paper by Entrad.

Inflation accoun[ting]

So far as the accounti[ng pro]fession is concerned, I[nflation accounting] now seems to have bee[n rele]gated to history. That is [...] since the full ravages [of] inflation—in the late 197[0s ...] still flattering the 1985 [...] reported in accounts [which] charge depreciation [...] money of, say, 1978. E[...] rather feeble comp[romise] known as ED 35, which [...] the consequences of i[nflation] hack in a footnote t[o] historic accounts has no[w been] abandoned, while the a[ccount]ants try to think of som[ething] else. Think they must; in[flation] is still creeping ahead [and] accounts which do not r[eflect] its impact are still mislead[ing].



LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98⅝	93	Treas 3pc 1985	98⅝	.....	3.04	13.05
102⅝	99	Treas 11½pc 1985	99	.....	11.59	12.93
99¾	96	Treas 8¾pcCnv '85	98	—	0.89	12.45
104	99	Exch. 12¼pc 1985	100	.....	12.25	12.13
103	99	Exch. 11¼pc '86	99	.....	11.76	11.77
102	96	Treas. 10pcCnv 1986	98	–	10.17	11.82
94	88¾	Treas 3pc 1986	93	+	3.19	9.10
102	96½	Exch. 10½pc Cv '86	98	.....	10.65	11.88
104	99	Treas 12pc 1986	100	+	11.99	11.88
98⅝	93½	Treas 8¾pc 1984-86‡‡	96¼	–	0.81	11.61
108	102	Exch. 14pc 1986	103	–	13.59	11.90
89¾	85	Exch. 2½pc 1986	89	.....	2.81	9.91
107	100	Exch. 13¾pc 1987	102½	.....	12.95	11.71
100⅞	94½	Treas 10¼pcCv '87	97	.....	10.53	11.78
87¾	83¾	Exch 2½pc 1987	87½	+¼	2.05	9.84
101	94½	Exch. 10½pc 1987	98	.....	10.71	11.62
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

FINANCIAL TIMES

Saturday March 30 1985

MAN IN THE NEWS

Dedicated enemy of apartheid

By Anthony Robinson

MARX'S dictum that religion is the opium of the pople is proving as far from the truth in apartheid South Africa as in General Jaruzelski's Warsaw. Deprived of authentic representation in government, the balck majority has found not only comfort hut leadership from within the churches. How to deal with "turbulent priests" bas become one of the thorniest problems facing President P .W. Botha.

The most turbulent of all is the Rev Allan Boesak, the dapper 39-year-old Coloured theologian wbose arrest at the head of Tuesday's abortive march on Parliament in protest against police shootings in the Eastern Cape townships again served to put the Republic in the headlines.

Dr Boesak is tha seventh of 8 children of an impoverished *school teacher father and seam*stress mother from Kakmas, a remote village in the rural North-West Cape. He first emerged as a new force in the struggla against apartheid in 1976, the year of the Soweto nprising. At this turning point in contemporary South African

Allan Boesak: put South Africa in the headlines.

history, he returned from *six* years' study at the Calvinist theological seminary at Kampen, Holland, wbere be wrote his doctorial thesis on Black Theology and Black Power. His heroes are the anti-nazi German theologist. Deitrich Bonhoffer; the Afrikanner dissident priest, Beyers Naude "the man who cured my belief that all Boers were bad," and Martin Luther King.

In a coutry where apatheid extends also to churches, and where the white Dutch Reformed Church has given theological backing to white supremacy, Dr Beosak bas led the fight against apartheid on both theological and political grounds. His greatest triumph in the theological battle came at Ottawa in 1982 when the World Alliance of Reformed Churcbes, representing 70m believers around the world, both condemned apartheid as heresy and elected Dr Beosak as President. It was a double victory that still rankles among conservative Afrikanners.

Having dented Afrikaaner faith in the divinely inspired nature of apartheid, be then moved on to present a direct challenge to the Government'a plans for a new tri-cameral constitution by campaigning actively for a new coalition of forces to fight against it. This was the origin of the United Democratic Front, which has become the most important anti-government group in South Africa.

For the Government, the UDF is merely the banned African National Congress in a different guise. It is planning a major "treason trial" of UDF activists and other ways of curbing its activities. The links certainly are close. Nelson Mandela, the jailed ANC leader, is one of 15 "*patrons*" of the UDF, and many leading members are former ANC activists. But Dr Boesak denies it is an ANC puppet, adding: "If you are trying to create a representative and non-elitist people's movement in South Africa, it is very difficult to do so and not run into the ANC."

Fluent in Afrikaans and English, and an impressive orator, Dr Boesak is a voice and organising factor the Government would dearly like silenced. Early this year, the secret police mounted a smear campaign through the media linking Dr Boesak, a married man with four children, to a white woman official of the South African Council of Churches. It *was timed to coincide with the* visit of Sen Edward Kennedy, who toured the country with Dr Boesak as his host. The resnlt was "three months of sheer hell" and deep conflict within his church, followed finally by reinstatement.

Political rifts deepen in Greece

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE was plunged yesterday into political uncertainty and hitterness with the highly controversial choice of Supreme Court Jndge Christos Sartzetakis as the country's President. Mr Sartzetakis's election in a turbulent parliamentary vote was imediately challenged by the main opposition group, the New Democracy Party, which said it would refuse to recognise him as President.

The Socialist Government's success in securing the election of its candidate removes the likelihod of a May general election, although a poll has to he held by October. The clash over the methods used by the Socialists to capture the presidency and the move by Mr Andreas Pandreou, the Prime Minister, to question the validity of Greece'a 1975 constitution promise a highly volatile run-up to tha elections.

In a cliff-hanger ballot count, the government, with tha help of Communist and independent MPs, narrowly defeated MPs, narrowly scraped together the *180-strong* majority required in the 300-member House for Mr Sartzetakis's election in a third and final round of voting for a new head of state. New Demrocacy's 114 deputies abstained. The balance was made up of five spoiled ballots and one blank.

The New Democrats challenged the result on the grounds that Mr Yiannis Alevras, the acting President and a Socialist deputy, took part in the balloting. Whether he had the right oFfit vteEtoTA ...OIN... to vote under the constitution is unclear.

Mr Alevraa refrained from voting in two earlier rounds of balloting this month, in which a 200-strong majority was needd to elect a presidant. The government initially consulted the nation'a leading constitutional expert on Mr Alevras's right to vote. The majority said he could not. The government settled the matter, however, hy *taking it before* parliament, where the Socialists enjoy a comfortable majority.

"Our position is clear. We do not recognise Mr Sartzetakis as President. The matter will be settled by the people at the next general election," Mr Constantine Mitsotakis, the New Democracy leader, told the House.

Despite the dramatic tone of this statement, the presidential election is unlikely to precipitate a constitutional crisis because there is *little* the New Democrats can do to challenge Mr. Sartzetakis's presidency. Greece lacks constitutional courts, which might have ruled on a dispule of this kind. The New Democrats said yesterday tbat they would not attend the President's swearing in ceremony on Saturday.

An additional dispute arose in parliament because of the Government's insistence on using hallot papers of two colours—blue for its candidate and white against—a practice introduced in the second round of voting last weekend. Mr Mitsotakis denounced it as a violation of the parliamentary regulations which call for "uniform" hallot slips, and of the constitutional requirement that balloting for the presidency be secret.

The Government introdnced two-tone hallots in an effort to prevent dissident voting in its ranks.

Dr Papandreou defended his government's position by remioding the House that the Socialists, then in the opposition, had disagreed with the introdnction of the country's constitution in 1975, after the collapse of Greece's military *dictatorship*.

Profile of Mr Sartzetakis, Page 2

Government unveils proposals for cutting red tape on business

BY WILLIAM DAWKINS

THE GOVERNMENT yesterday unveiled a far-reaching consultative document calling for action to cut the red tape which it says chokes the growth of many small businesses.

Its proposals to streamline regulations dealing with the pay as you earn system, National Insurance, planning controls and audit requirements among many others were greeted with enthusiasm by business pressure groups. However, there were doubts over the prospects for getting the study'a recommendations implemented.

The report, Burden on Business, is the result of a £173,000 study, co-ordinated over eight months by Mr David Trippier, the Minister for Small Businesses, with the help of seven government departments. It calls for a small central task force "with real teeth" to be established. This would scrutinise regulatory proposals and regularly review the scope for simplifying existing requirements.

One of the report's more radical proposals is that the PAYE system should be put on to a non-cumulative basis, so employers can calculate National Insurance and PAYE on the same document. Other suggested areas for reform include value added tax, statutory sick pay, employment protection, building and fire regualtions, health and safety rules and consumer law.

The study will now be taken over by Lord Young, Minister without Portfolio, whose enterprise unit has been looking at broader measures to promote enterprise. He will examine its recommendations as well as other options for cutting business red tape, and plans to make concrele proposals — which might lead to legislation—by the summer.

Mr Norman Tebbit, Trade and Industry Secretary, points out in tha introduction to the report that eacb area of government intervention may make only modest demands on employers. Taken together, however, "the cumulative burden of regulation is a serious brake on enterprise and employment."

Sir Terence Beckett, director-general of the Confederation of British Industry, said: "We are delighted that the Government has accepted . . . the need to cut down red tape that hampers industry. "The real test will he whether anything happens."

Mr Stan Mendham, chief executive of the Forum of Private Business, said: "This is the most important thing the Government has done for small businesses so far. But they have got to take it further."

Background, Page 4

THE main options outlined in Burdens on Business are:

PAYE/NI: Open the way to putting PAYE and NI calculations side hy side in tha same deduction tables.

VAT: Take more businesses out of the VAT net; consider monthly payment for very small businesses.

Planning controls: Introduce simplified planning zones; speed np local decisions; improve guidance to people starting business at home.

Company law: Scrap statutory audit requirements for ahareholder-managed companies and rednce prescribed content of company accounts.

Employment protection: More action to discourage ill-founded complaints in nnfair dismissal cases (e.g., by demanding cash deposits from complainants); curb wages councils' controls on young peoples' pay.

Banks set up £150m fund for JMB losses

By David Lascelles, Banking Correspondent

THE BANK of England and two dozen UK banks yesterday signed a £150m agreement to cover *losses* of *Johnson Matthey* Bankers, which was rescued from the brink of collapse last September.

The delay in reaching an agreement reflects the complexity of the rescue and the determination of UK banks to set *strict terms for their* participation in an operation not all of them supported.

Under the agreement, the banks bave agreed to share whatever losses JMB suffers over and above the £170m it has in capital. Half of the indemnity, or £75m, will be borne by the Bank of England, which now owns JMB.

The remainder will be shared: £30m by the big clearing banks; £5m by the small clearing banks; £30m by members of the gold market where JMB is still a major dealer; and £10m by the accepting houses, except Rothschilds and Sannel Montague which are participating as members of gold market.

The indemnity package will *help cover losses resulting from* loans made by JMB before the end of September. Provisions for douhtful loans will be made by the hank5s management on the hasis of a report by Price Waterhouse, the a ccounting firm. Ernst Whinney, another accounting firm, will jndge whether the provisions are appropriate and cover loans that qualify for the indemnity.

JMB's financial year end will be extended from March 31 to June 30 to allow more time for the accounts to be settled.

The full extent of JMB's losses has not been calculated, and the banks may not be called on for some weeks. Bankers expect losses to be more than £250m, triggering at least £80m of the indemnity.

Kleinwort Benson, an accepting house, has made a small payment on account for tax reasons, and others are expected to do the same

The Bank of England's wisb to see banks share in JMB's losses bas caused considerable resentment among some bankers who do not see why they should pay for somebody else's mistakes.

Jardine to sell fleet following £96m loss

BY DAVID DODWELL IN HONG KONG

JARDINE MATHESON, Hong Kong's oldest trading house, is to sell its shipping fleet and withdraw from the oil service industry. This was announced along with results for 1984 showing that a series of extraordinary losses had pusbed the group into a deficit of HK$913m *(£96m) against a comparable* profit of HK$351m.

Mr Simon Keswick, Jardine's chairman, said both Jardine and Hongkong Land, its deeply indebted associate, had in recent years "over-reached themselves and made unwise or poorly-controlled investments."

There was "no point in recrimination or the exercise of hindsight," he said, but the group's main aim now was "to simplify and restore a conservative approach"—by concentrating on core businesses and shedding unproductive assets.

Yesterday'a disclosures contrasted with the secrecy which has veiled the company over the past two years. Noting this change, Mr Keswick said: "So serious were the problems inside Jardine—if anything more serious than those in Hongkong Land—that we felt there was a time and a place for making public statements."

Jardine disclosed consolidated net earnings for the year of HK$80m, down from HK$125m, compared with a HK$300m surplus the previous year.

The 1984 result also suffered *from extraordinary* losses of HK$54m incurred in writing down the value of the shipping fleet, HK$159m linked with property in Hawaii, and a further HK$108m representing Jardine'a sbare of extraordinary losses at Hong Kong Land.

Disposal of the ships and offshore oil servicing business will leave core operations including marketing and distribution, *engineering, transport* services, and financial and investment advice. These are to give greater autonomy.

Mr Keswick conceded that the board a year ago had underestimated the extent of the group's remaining problebs, hut he predicted that further provisions would not he needed, although he said it was premature to predict profit levels for 1985.

Turnover in 1984 was down more than 18 per cent to HK$8.9hn. The board is not recommending a final dividend, and does not promise resumption of dividend payments until they can be funded out of cash flow.

The "disappointing" 1984 results "mask a material increase in the group's underlying strength," Mr Keswick said.

Annual statement, Page 3

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 2½pc I.L. 2013	£87⅞	+ ⅞
ASR	445	+ 80
Allied Textile	431	+ 29
Arncliffe	44	+ 10
Assoc Brit Ports	244	+ 10
Brit Aerospace	423	+ 9
Delta Group	155	+ 7
Energy Services	90	+ 6
Hollis Bros	67	+ 5
Ibstock Johnsen	315	+ 12
Intl Sig & Control	288	+ 11
Lambert Howarth	223	+ 10
Ocean Transport	183	+ 15
Tricentrol	233	+ 10
Ultramar	227	+ 9
Wads Potteries	138	+ 16
Woolworth	780	+ 33
FALLS		
BOC	280	− 13
Bolton Textile	19	− 5
European Ferries	142½	− 5½
French Connection	260	− 35
ICI	761	− 12
Legal & General	630	− 15
Lucas Inds	269	− 14
Metal Box	395	− 15
Ramus	78	− 7
Sketchley	360	− 24
Stock Conversion	448	− 12
TI	238	− 6
Westland	102	− 6

WORLDWIDE WEATHER

Uk today: Cloudy with showers, sunny intervals in northern Scotland. Strong winds in exposed parts.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Corfu	R	12	54	Luxmbg.	C	4	39	Peking	S	11	52
Algiers		—	—	Dallas	C	22	72	Madeira	C	18	64	Perth	S	34	93
Amsdm.	R	5	43	Dublin	C	12	54	Madrid	S	11	52	Prague	F	5	41
Athens	S	17	63	Dbrvnk.	F	13	55	Majorca	F	15	59	Reykjvk.	S	−7	19
Bahrain	C	25	77	Ednbgh.		—	—	Malaga	S	15	59	Rhodes	S	18	64
Barclna.	S	14	57	Faro	S	17	63	Malta	C	16	61	Rio J'o		—	—
Beirut		—	—	Florence	S	12	54	M'chstr.	R	7	45	Rome	S	18	61
Belfast	R	8	46	Frankft.	C	7	45	Melbne.	C	18	64	Salzbrg.	C	7	45
Belgrd.	F	8	46	Geneva	S	8	46	Mx. C.		—	—	S F'cisco†	F	6	43
Berlin	F	6	43	Gibraltar	F	17	63	Miami†	F	21	70	Singapr.	F	32	90
Biarritz	S	17	63	Glasgow		—	—	Milan	S	11	52	S'tiago		—	—
Bmghm.	R	8	46	G'nsey	R	8	46	Montrl.†	F	3	37	Stckhm.	C	−2	28
Blackpl.	R	5	43	Helsinki	F	−1	30	Moscow	Sn	1	34	Strasbg.	C	8	46
Bombay	F	31	88	H. Kong	R	18	81	Munich	F	7	45	Sydney	S	25	77
Borde.	S	11	52	Innsbrk.	S	8	46	Nairobi	F	22	72	Tangier	S	17	63
Boulgn.	C	8	43	Invrnss.	C	2	36	Naples	S	4	57	Tel Aviv	F	22	72
Bristol	R	8	46	I.o.Man	C	8	46	Nassau		—	—	Tenerife	S	20	68
Brussels	C	8	43	Istanbul	S	14	57	Nwcstl.	R	3	37	Tokyo	C	12	54
Budpst.	F	8	46	Jersey	C	8	46	N Delhi	S	31	88	Toronto†	R	4	39
Cairo	S	25	77	Jo'burg		—	—	N York†	F	14	57	Tunis	F	15	59
Cardiff	C	8	46	L. Plms.	R	21	70	Nice	S	14	57	Valencia	S	15	51
Cape T.	S	28	82	Lisbon	S	14	57	Nicosia	S	22	72	Venice	S	11	52
Chicg.†	F	8	43	Locarno	S	11	52	Oporto	F	18	81	Vienna	F	8	46
Cologne	C	5	43	London	R	7	45	Oslo	F	2	36	Warsaw	C	5	41
Cpnhgn.	S	2	36	L. Ang.†	F	12	54	Paris	C	7	45	Zurich	F	7	46

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. † Noon GMT temperatures.

Thatcher

Continued from Page 1

that an expected 2.5 per cent growth rate seemed unlikely to resolve the problem.

Consensus was developing around the need to slacken the rigidity in the labour market with, for example, Mr Wilfried Martens, the Belgian Prime Minister suggesting that hiring and firing should be made easier and that part-time working should be used as a palliative.

Concern was also expressed about the fluctuations of the dollar, hut there was no clear idea about what to do about it.

Soviet

Continued from Page 1

roubles (£18.5m) in 1978.

The document says that technological improvements were made to two Soviet aircraft, the SU-27 and the MiG-29, as a result of the material obtained. Among the specific improvements made on the aircraft is lists the "high speed numerical computers," "the air signalling system" and weapons guidance instruments.

The publication of the material coincides with a visit to France of Mr Casper Weinberger, the U.S. Defence Secretary. The U.S. has long campaigned among its allies to prevent the Soviet Union obtaining advanced Western technology.

The French expulsion of Soviet diplomats was followed by the expulsion of 148 Soviet diplomats in the West in 1983.

David Buchan in London writes: Officials in London and Washington said last night they knew nothing abont the origin of Le Monde's disclosures.

A U.S. official described the Soviet assessment, if bona fide, as "very significant." The U.S. Government was aware that the French security services had obtained several documents at the time of the expnlsions. The Defence Department has for months tried to assess, withont the benefit of such inside intelligence, wbat military spending savings the Soviet Union has mada by obtaining Western technology. Next month it is expected to publish a report claiming that such Soviet defence savings across the board, not just in aircraft, range from $7bn (£5.6bn) to $13bn a year.

THE LEX COLUMN

Twilight of the dollar

Last week's dollar slide—losing 5 per cent against the D-mark in as many days—has at last made fund managers seriously question their views on the U.S. as the safest haven for their money. Even gold, though hampered by its lack of yield and the rest of the world's lack of inflation, has held on to the previous week's sudden gain. But it is assets with a bit of income to recommend them that are really swinging back into fashion.

Gilt-edged stock gained two *points at the long end last week*—a direct result of sterling'a new-found strength—despita yet more offering from tha Government Broker. Indeed, sterling has done even better than tha D-mark, helped by the fiscal and monetary stringency of Mr Lawson's budget, and the higher yield on sterling assets.

Admittedly, the prospect of further capital gains in the UK fixed-interest markets are uncertain: the authorities seem undecided whether they can allow interest rates to fall. Last week, half the clearing banks misinterpreted their intentions: but no-one yet knows which balf. In any event, the prosepct of weaker oil prices in the Spring must remind the Government of last July, and the crash mat of high returns could be there to hreak a sterling fall.

The other side of sterling's reversal is shown by the weaker trend in the London equity market. Having got used to the idea that a high dollar was good for reported profits — because of higher exports and favourable translations of U.S. earnings — the market is bowing its consistency by marking down stocks like ICI and BTR which had previously benefited. With around half of UK corporate earnings dollar-related, the advantages of a sterling revaluation are donble-edged. If it goes to far, the CBI will waste no time in reminding Mrs Thatcher that Britain is losing its competitive edge — the sort of lobbying which President *Reagan has evidently been* listening to.

Jardines

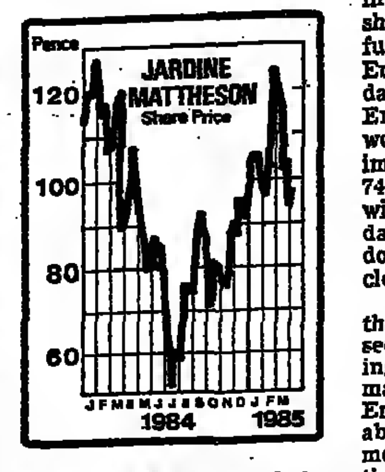
Jardine Matheson's results for 1984 had been so graphically sketched in advance that the disappearance of HK$1hn from a less than robust balance sheet was no new cause for alarm. With a nip of further prime-rate cuts in the air, the market was cheered that Jardine could take its medicine as well as Hong Kong Land before it—but without the fancy fund-raising exercise. The market, depressed at the prospect of yet worse, picked up 29 points on the Hang Seng Index.

The group, as presented with uncharacteristic candour yesterday, is a charnel-house of discontinued busniesses. A fleet valued at HK$900m in the last accounts would surely fetcb more than $346m if only the Sonth China Sea were a more rewarding place to sell it—but exploration support services aro at an enormous discount. At least the HK$159m write off against Hawaian property looks like the last word on the subject.

In electing to concentrate on core businesses in the manner of Hong Kong Land, Jardine has merely *nnderlined its* dependence on Land and the resumption of its cash dividends: a return of 8 per cent on capital employed is no recommendation for Jardine's own trading preformance. That Jardine was not awash with with cash was clear when it disdaines its rights in the Land issue, so it was no tremendous surprise to see the dividend dropped. Jardine seems relatively lightly geared only in contrast to the depely-indebted Land.

Though the improvement in Central values and any further fall in interest rates will assist Land in its long haul back, the letting of Exchange Square remains a tremendous hurden. As for Jardine, it is an inor*dinately expensive recovery* stock, inflated by a hid premium that is scarcely convincing; while management has still a great deal to do to recoup past political and other clumsinesses.

Index fell 13.8 to 964.3



Entrad/Tootal

With only *three* we in the Entrad/Toot shareholders must still fused ahout what to Entrad's increased off day hardly lifts the f Entrad offered, say, would prohahly have immediate knock-out, 74.37p that Tootal sha will get is so little abo day'a price of 72p that do best to sit tight closing date nears.

Entrad has made it q *that this is a final of* seems to be gambling ing market or sheer bo make its case for it. Entrad's size, however ably could not afford t more generous; and ha that 70p already ov Tootal, it would embarrassing at best mnch more.

Tootal claims that latest bid does not r true worth and that i are not just sitting c cushion. A prospective nearly 8 per cent—t market average—must help to prop np the sha as should speculation friendly, of predatory, fro mVantona Viyella, historic exit p/e of ju 10—and a prospective of 7.8 on the latest pr cast—are not exactly bare. Coats Patons, regarded as a better c stands on an historic r 6¾ and if Tootal is t retain the loyalty of *funds* by humping up 'dend, it may be thwarte are, after all, heing higher-yielding (if sho paper hy Entrad.

Inflation accoun

So far as the accounti fession is concerned, I now seems to have hee gated to history. That is since the full ravages inflation—in the late 197 still flattering the 1985 reported in accounts charge depreciation money of, say, 1978. Ev rather feeble comp known as ED 35, which b the consequences of i hack in a footnote historic accounts has no abandoned, while the ac ants try to think of som else. Think they must; in is still creeping ahead accounts which do not r its impact are still mislead

هكذا من الأجل